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A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR GROUP

1. Incorporation of our Company

Our Company was incorporated under the laws of the Cayman Islands on 6 July 2023 as an exempted company with limited liability. Our Company's registered office is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. Accordingly, our Company's corporate structure and Memorandum and Articles are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum and Articles is set out in "Appendix IV — Summary of the Constitution of the Company and Cayman Islands Company Law" to this document.

Our registered place of business in Hong Kong is at 16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 13 September 2023 with the Registrar of Companies in Hong Kong. Mr. Kwok Tai LAW has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong. The address for service of process is 16/F, Far East Consortium Building, 121 Des Voeux Road Central, Hong Kong.

2. Changes in the share capital of our Company

Save as disclosed in the section headed "History, Reorganisation and Corporate Structure — Corporate Development — Reorganisation" in this document, there has been no alternation in our share capital within two years immediately preceding the date of this document.

3. Changes in the share capital of our Company's subsidiaries

A summary of the corporate information and the particulars of our subsidiaries are set out in Note 35 to the Accountants' Report in Appendix I to this document.

On 14 July 2022, the authorised and issued share capital of Palasino Malta was increased from €1,200 divided into 1,200 ordinary shares of €1 each to €100,000 divided into 100,000 ordinary shares of €1 each.

Save as disclosed above and in the section headed "History, Reorganisation and Corporate Structure — Corporate Development — Reorganisation" in this document, there has been no alternation in the share capital of our Company's subsidiaries within two years immediately preceding the date of this document.

4. Written resolutions of our Shareholders passed on [●]

Pursuant to the written resolutions of the Shareholders of our Company passed on [●]:

- (a) the Memorandum and Articles were approved and adopted conditional on and effective upon [REDACTED];

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- (b) (aa) every issued and unissued ordinary share of HK\$1.00 par value in our Company was subdivided into 100 ordinary shares of HK\$0.01 par value each; and (bb) the authorised share capital of our Company was increased from HK\$50,000 to HK\$20,000,000 divided into 2,000,000,000 Shares of HK\$0.01 each;
- (c) conditional on (aa) the [REDACTED] Committee granting the approval for the [REDACTED] of, and permission to [REDACTED], the Shares in issue and Shares to be issued and allotted pursuant to the [REDACTED] and the [REDACTED] and as mentioned in this document including the Shares which may be issued and allotted pursuant to the exercise of the [REDACTED]; (bb) the [REDACTED] having been duly determined; and (cc) the obligations of the [REDACTED] under the [REDACTED] Agreements becoming unconditional and not being terminated in accordance with the terms of such agreement (or any conditions as specified in this document), in each case on or before the dates and times specified in the [REDACTED] Agreements:
- (i) the [REDACTED] was approved and our Directors were authorised to issue and allot the [REDACTED] pursuant to the [REDACTED];
- (ii) the [REDACTED] was approved and our Directors were authorised to issue and allot the Shares upon the exercise of the [REDACTED];
- (iii) conditional on the share premium account of our Company being credited as a result of the [REDACTED] or otherwise having sufficient balance, our Directors were authorised to [REDACTED] HK\$[REDACTED] standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par [REDACTED] Shares for issue and allotment to holder of Shares whose name appears on the register of members of our Company on the date of passing this resolution;
- (iv) a general unconditional mandate was given to our Directors to issue, allot and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be issued and allotted), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the issue and allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the [REDACTED] and the [REDACTED] (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the [REDACTED]), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the

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period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first;

- (v) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or any other approved stock exchange on which the securities of our Company may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as may represent up to 10% of the number of issued Shares immediately following the completion of the [REDACTED] and the [REDACTED] (but taking no account of any Shares which may be issued and allotted pursuant to the exercise of the [REDACTED]), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and
- (vi) the general unconditional mandate mentioned in paragraph (iv) above was extended by the addition to the number of issued Shares which may be issued and allotted or agreed conditionally or unconditionally to be issued and allotted by our Directors pursuant to such general mandate of such number of Shares representing the total number of issued Shares bought back by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (v) above.

5. Reorganisation

In preparation for the [REDACTED], the companies comprising our Group underwent the Reorganisation and our Company became the holding company of our Group. For information with regard to the Reorganisation, please refer to "History, Reorganisation and Corporate Structure" in this document.

6. Explanatory statement on repurchase of our own securities

The following summarises restrictions imposed by the Listing Rules on share repurchases by a company [REDACTED] on the Stock Exchange and provides further information about the repurchase of our own securities.

Shareholders' approval

All proposed repurchases of securities (which must be fully-paid up in the case of shares) on the Stock Exchange by a company with its primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution of its shareholders, either by way of a general mandate or by specific approval of a particular transaction.

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Pursuant to the written resolutions of our Shareholders passed on [●], a general unconditional mandate (the "**Repurchase Mandate**") was granted to our Directors authorising the repurchase of Shares by our Company on the Stock Exchange, or any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

Size of mandate

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] in issue immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised), could accordingly result in up to approximately [REDACTED] being repurchased by our Company.

The total number of shares which a listed company may repurchase on the Stock Exchange may not exceed 10% of the number of issued shares as at the date of the shareholder approval.

Reasons for repurchases

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

Source of funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles and the applicable laws of the Cayman Islands.

Our Company shall not purchase its own Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

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Any purchases by our Company may be made out of profits, our Company's share premium account or out of an issue of new shares made for the purpose of the purchase or, if authorised by the Memorandum and Articles and subject to the Companies Act, out of capital, and, in the case of any premium payable on the purchase out of profits or from sums standing to the credit of our share premium account or, if authorised by the Memorandum and Articles and subject to the Companies Act, out of capital.

Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

Trading restrictions

A listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

A listed company may not repurchase its shares if that repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

Status of repurchased securities

The [REDACTED] of all repurchased shares (whether through the Stock Exchange or otherwise) shall be automatically cancelled and the relevant documents of title must be cancelled and destroyed as soon as reasonably practicable.

Close associates and core connected persons

None of our Directors or, to the best of their knowledge, information and belief, having made all reasonable enquiries, any of their close associates have a present intention, in the event the Repurchase Mandate is approved, to sell any Shares to our Company.

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No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the Repurchase Mandate is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

General

If the Repurchase Mandate were to be carried out in full at any time, there may be a material adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recently published audited accounts). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would have a material adverse effect on our working capital or gearing position.

Our Directors have undertaken to the Stock Exchange to exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws in the Cayman Islands.

We have not made any repurchases of our Shares in the previous six months.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) the BC Deed of Novation;

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- (b) a deed of novation dated 8 September 2023 entered into between Palasino Group, Singford and FEC UK, pursuant to which the obligation to repay the First Singford Loan owed by Singford to Palasino Group was novated to FEC UK (with the consent of Palasino Group);
- (c) a deed of novation dated 8 September 2023 entered into between Palasino Group, Singford and FEC UK, pursuant to which the obligation to repay the Second Singford Loan owed by Singford to Palasino Group was novated to FEC UK (with the consent of Palasino Group);
- (d) a deed of assignment and novation dated 8 September 2023 entered into between Palasino Group, BC Mortgage and FECL, pursuant to which the rights and obligations of the BC Agreement were assigned and novated to FECL by Palasino Group (with the consent of BC Mortgage) at a consideration of GBP4,000,000 payable by FECL to Palasino Group;
- (e) a deed of novation dated 8 September 2023 entered into between Palasino Group, FEC UK and FECL, pursuant to which the obligation to repay GBP2,597,053 of the GBP4,000,000 owed by FECL to Palasino Group was novated to FEC UK (with the consent of Palasino Group);
- (f) a deed of set off dated 8 September 2023 entered into between Palasino Group and FEC UK, pursuant to which the Inter-company Balance was set off in its entirety against the Dividend;
- (g) a share contribution agreement dated [●] entered into between FEC UK and BVI Holdco, pursuant to which FEC UK agreed to contribute 100% of the shareholding interest in Palasino Group for an allotment of shares in BVI Holdco;
- (h) a share transfer agreement dated [●] entered into between Ample Bonus, Dateplum and our Company, pursuant to which Ample Bonus and Dateplum agreed to transfer the shares of BVI Holdco held by them for an allotment of shares in our Company;
- (i) a share sale agreement dated 20 July 2023 entered into between Palasino Group and the Polish Vendors, pursuant to which Palasino Group agreed to acquire the 100% shareholding interest of Palasino Poland held by the Polish Vendors for a cash consideration of PLN98,709 (equivalent to approximately HK\$187,547);
- (j) the Deed of Indemnity; and
- (k) the Hong Kong [REDACTED] Agreement.

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2. Intellectual Property Rights

As at the Latest Practicable Date, our Group has registered or has applied for the registration of the following intellectual property rights which are material to our Group's business.

(a) Trademarks







(i) Registered trademarks

As at the Latest Practicable Date, our Group had registered the following trademarks:

	Trademark	Registered Owner	Class	Registration Number	Place of Registration	Date of Registration	Date of Expiry
1.		Palasino Group	36, 41, 43	18325816	European Union	12 March 2021	26 October 2030
2.		Palasino Group	36, 41, 43	18325812	European Union	5 March 2021	26 October 2030
3.	PALASINO	Palasino Group	36, 41, 43	18325814	European Union	20 March 2021	26 October 2030

(ii) Trademark applications pending

As at the Latest Practicable Date, our Group had applied for the registration of the following trademarks which are material to our business:

	Trademark	Applicant	Class	Application Number	Place of Application	Application Date
1.		Palasino Group	36, 41, 43	306279102	Hong Kong	26 June 2023
2.		Palasino Group	36, 41, 43	306279102	Hong Kong	26 June 2023
3.	PALASINO	Palasino Group	36, 41, 43	306279094	Hong Kong	26 June 2023
4.		Palasino Group	36, 41, 43	306279085	Hong Kong	26 June 2023
5.		Palasino Group	36, 41, 43	306279085	Hong Kong	26 June 2023
6.		Palasino Group	36, 41, 43	018919467	European Union	30 August 2023
7.		Palasino Group	36, 41, 43	018919533	European Union	30 August 2023

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(b) Domain Names

As at the Latest Practicable Date, our Group had registered the following domain names which are material to our business:

Domain Name	Registrant	Date of Registration	Expiry Date
1. www.palasinoholdings.com	BVI Holdco	5 September 2023	5 September 2025

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Particulars of Letters of Appointment

(a) Executive Director

Our executive Director [has entered] into a letter of appointment with our Company for a period of three years, commencing from the [REDACTED], which may be terminated by not less than three months' advance notice in writing served by either party on the other. Our executive Director is entitled to a basic annual salary as follows:

Name	Annual Salary (HK\$)
Mr. Pavel MARŠÍK	25,000

In addition, our executive Director has entered into a letter of appointment with Palasino Group in respect of his directorship with Palasino Group. It is subject to termination in accordance with the respective terms therein.

(b) Non-executive Directors

Each of our non-executive Directors [has entered] into a letter of appointment with our Company for a period of three years, in each case commencing from the [REDACTED], which may be terminated by not less than three months' advance notice in writing served by either party on the other. Each of our non-executive Directors is entitled to an annual director's fee as follows:

Name	Annual Director's Fee (HK\$)
Tan Sri Dato' David CHIU	25,000
Mr. Cheong Thard HOONG	25,000

Save for the above director's fee, none of our non-executive Directors is expected to receive any other remuneration for holding their office as a non-executive Director.

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(c) Independent non-executive Directors

Each of our independent non-executive Directors [has entered] into a letter of appointment with our Company for a period of three years, in each case commencing from the [REDACTED], which may be terminated by not less than three months' advance notice in writing served by either party on the other. Each of our independent non-executive Directors is entitled to an annual director's fee as follows:

Name	Annual Director's Fee (HK\$)
Dr. Ngai Wing LIU	150,000
Mr. Kam Choi Rox LAM	150,000
Ms. Sin Kiu NG	150,000

Save for the above director's fee, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with any member of our Group, other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

2. Directors' Remuneration

- (a) The aggregate remuneration (including fees, salaries and other allowances and benefits in kind and discretionary bonuses) paid to our Directors for the three years ended 31 March 2023 was HK\$2.0 million, HK\$2.1 million and HK\$2.4 million, respectively.
- (b) Under the arrangements currently in force, it is estimated that an aggregate of approximately HK\$3.0 million is payable by our Group to our Directors as remuneration (including fees, salaries, contributions to pension schemes, housing allowances, share-based compensation benefits and other allowances and benefits in kind and discretionary bonuses) for the financial year ending 31 March 2024.
- (c) None of our Directors or past directors of any member of our Group has been paid any sum of money for each of the three financial years ended 31 March 2023 (a) for loss of office as director of any member of our Group or any other office in connection with the management affairs of any member of our Group; or (b) as an inducement to join or upon joining any member of our Group.

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- (d) There has been no arrangement under which a Director has waived or agreed to waive any emoluments in each of the three financial years ended 31 March 2023.
- (e) None of our Directors has been or is interested in the promotion of, or in the property proposed to be acquired by, our Company, and no sum has been paid or agreed to be paid to any of them in cash or shares or otherwise by any person either to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him in connection with the promotion or formation of our Company as an inducement to join or upon joining any member of our Group.

For further information on the remuneration of our Directors, please refer to Note 11 to the Accountants' Report in Appendix I to this document.

3. Interests and short positions of Directors in the shares, underlying shares or debentures of our Company and our associated corporations

Immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account of: (i) any Shares which may be issued upon the exercise of the [REDACTED]; and (ii) any change in the shareholding of FEC between the Latest Practicable Date and the [REDACTED]), assuming the [REDACTED] under the [REDACTED] are fully taken up by [REDACTED], the interests and/or short positions (as applicable) of our Directors and the chief executive of our Company in our Shares or underlying Shares or debentures of our Company and any interests and/or short positions (as applicable) in the shares or underlying shares or debentures of any of our Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of

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the SFO); or (ii) will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, in each case once our Shares are [REDACTED], will be as follows:

Long positions in the Shares and underlying Shares of our Company

Name of the Director	Nature of interest	Number of Shares	Approximate percentage of interest in our Company
Tan Sri Dato' David CHIU	Interest of controlled corporations, beneficial owner and interest of spouse ⁽¹⁾	[REDACTED]	[REDACTED]
Mr. Cheong Thard HOONG	Beneficial owner and joint interest ⁽²⁾	[REDACTED]	[REDACTED]
Dr. Ngai Wing LIU	Beneficial owner ⁽³⁾	[REDACTED]	[REDACTED]

Notes:

1. These Shares include: (i) the Shares directly held by Ample Bonus which is wholly-owned by FEC (details of Tan Sri Dato' David CHIU's interest in FEC are set out in Note 1 under the table headed "Long positions in the shares and underlying shares of our Company's associated corporations (as defined in the SFO)" in this Appendix); (ii) the [REDACTED] which may be fully taken up by Sumptuous Assets Limited, a [REDACTED] and a company indirectly wholly-owned by Tan Sri Dato' David CHIU; (iii) the [REDACTED] which may be fully taken up by Modest Secretarial Services Limited, a [REDACTED] and a company directly wholly-owned by Tan Sri Dato' David CHIU; (iv) the [REDACTED] which may be fully taken up by Tan Sri Dato' David CHIU, a [REDACTED]; and (v) the [REDACTED] which may be fully taken up by Mrs. Nancy CHIU NG, a [REDACTED] and the spouse of Tan Sri Dato' David CHIU.
2. These Shares represent the [REDACTED] which may be fully taken up by Mr. Cheong Thard HOONG, a [REDACTED].
3. These Shares represent the [REDACTED] which may be fully taken up by Dr. Ngai Wing LIU, a [REDACTED].

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Long positions in the shares and underlying shares of our Company's associated corporations (as defined in the SFO)

1. *Long position in the ordinary shares*

Name of the Director	Name of associated corporation	Nature of interest	Number of ordinary shares	Approximate percentage of the relevant issue share capital
Tan Sri Dato' David CHIU	FEC	Interest of controlled corporations ⁽¹⁾	1,358,151,582	50.19%
		Beneficial owner ⁽¹⁾	25,325,544	0.94%
		Interest of spouse ⁽¹⁾	20,789,895	0.77%
	Ample Bonus	Interest of controlled corporation ⁽¹⁾	101	100%
	Sumptuous Assets Limited	Interest of controlled corporation ⁽¹⁾	1	100%
	Far East Organization (International) Limited	Beneficial owner ⁽¹⁾	1	100%
Mr. Cheong Thard HOONG	FEC	Beneficial owner ⁽²⁾	15,196,692	0.56%
		Joint interest ⁽²⁾	545,802	0.02%
	BC Invest	Beneficial owner	792,383	3.46%
Dr. Ngai Wing LIU	FEC	Beneficial owner	1,793	0.00%

Notes:

- (1) As at the Latest Practicable Date, Tan Sri Dato' David CHIU was interested in an aggregate of 1,404,267,021 ordinary shares (approximately 51.90%) of FEC, of which (i) 25,325,544 ordinary shares (approximately 0.94%) were beneficially held by Tan Sri Dato' David CHIU; (ii) 20,789,895 ordinary shares (approximately 0.77%) were held by his spouse, Mrs. Nancy CHIU NG (iii) 1,358,132,858 ordinary shares (approximately 50.19%) were held by Sumptuous Assets Limited (a direct wholly-owned subsidiary of Far East Organization (International) Limited, which in turn was directly wholly-owned by Tan Sri Dato' David CHIU; and (iv) 18,724 ordinary shares (approximately 0.001%) were held by Modest Secretarial Services Limited (which was directly wholly-owned by Tan Sri Dato' David CHIU).

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(2) As at the Latest Practicable Date, Mr. Cheong Thard HOONG was interested in an aggregate of 15,742,494 ordinary shares (0.58%) of FEC of which (i) 15,196,692 ordinary shares (0.56%) were beneficially held by Mr. Cheong Thard HOONG; and (ii) 545,802 ordinary shares (0.02%) were jointly held with his spouse, Ms. Pei Chun TENG.

2. *Long position in the underlying shares of BC Invest — physically settled unlisted derivatives*

Name of the Director	Nature of interest	Number of underlying shares in respect of the purchase rights granted	Approximate percentage of BC Invest's issued share capital
Mr. Cheong Thard HOONG	Beneficial owner	457,502	2.00%

Debentures in our Company's associated corporations (as defined in the SFO)

As at the Latest Practicable Date, Tan Sri Dato' David CHIU was deemed to have an interest in (i) the 7.375% USD senior guaranteed perpetual capital notes issued by FEC Finance Limited, a wholly-owned subsidiary of FEC, in the principal amount of USD9,000,000 of which USD5,000,000 was held by Tan Sri Dato' David CHIU and USD4,000,000 was held by his spouse, Mrs. Nancy CHIU NG; and (ii) the 5.1% USD medium term notes due 2024 issued by FEC Finance Limited, a wholly-owned subsidiary of FEC, in the principal amount of USD7,940,000 of which USD4,000,000 was held by Tan Sri Dato' David CHIU and USD3,940,000 was held by his spouse, Mrs. Nancy CHIU NG.

Directors' positions in substantial shareholders

As at the Latest Practicable Date, each of Ample Bonus, FEC, Sumptuous Assets Limited and Far East Organization (International) Limited was a substantial shareholder disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Each of Tan Sri Dato' David CHIU and Mr. Cheong Thard HOONG is (i) a non-executive Director of our Company; (ii) an executive director and employee of FEC; and (iii) a director of Ample Bonus. In addition, Tan Sri Dato' David CHIU is a director of Sumptuous Assets Limited and Far East Organization (International) Limited.

Save as disclosed above, as at the Latest Practicable Date, none of our Directors were directors or employees of a company which had an interest or short position in the Shares and underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Division 2 and 3 of Part XV of the SFO.

Save as disclosed above, none of our Directors or the chief executive of our Company will, immediately following completion of the [REDACTED] and the

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[REDACTED] (assuming the [REDACTED] under the [REDACTED] are fully taken up by [REDACTED] and without taking into account any Shares which may be sold pursuant to the exercise of the [REDACTED]), have an interest and/or short position (as applicable) in the Shares or underlying Shares or debentures of our Company or any interests and/or short positions (as applicable) in the shares or underlying shares or debentures of the Company's associated corporations (within the meaning of Part XV of the SFO) which (i) will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), (ii) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (iii) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once our Shares are [REDACTED] on the Stock Exchange.

4. Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO

Save as disclosed in "Substantial Shareholders" in this document, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has an interest or short position in the Shares and underlying Shares of our Company which, once the Shares are [REDACTED], would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly interested in 10.0% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any member of our Group.

5. Disclaimers

Save as disclosed in this Appendix:

- (a) none of our Directors nor experts referred to in "E. Other Information — 9. Qualification of Experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have, within the two years immediately preceding the date of this document, been acquired or disposed of by, or leased to, any member of our Group, or are proposed to be acquired or disposed of by, or leased to, any member of our Group;
- (b) none of our Directors nor experts referred to in "E. Other Information — 9. Qualification of Experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (c) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

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- (d) none of our Directors nor experts referred to in "E. Other Information — 9. Qualification of Experts" in this Appendix has received any agency fee, commissions, discounts, brokerages or other special terms from our Group within the two years immediately preceding the date of this document in connection with the issue or sale of any capital of any member of our Group; and
- (e) save as disclosed in "Directors and Senior Management" and "Relationship with Our Controlling Shareholders" in this document, none of our Directors requiring disclosure under Rule 8.10(2) of the Listing Rules are interested in any business apart from our Group's business which compete or is likely to compete, directly or indirectly, with the business of our Group.

D. SHARE OPTION SCHEME

A summary of the principal terms of the Share Option Scheme conditionally approved and adopted by our Shareholders on [●] is set out below.

(i) Purpose

The purpose of the Share Option Scheme is to incentivise and reward Participants who have contributed or may contribute to our Group and to encourage Participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and the Shareholders as a whole. The eligibility of any of the Participants for grant(s) of option(s) shall be determined by our Board from time to time on the basis of our Board's opinion as to the Participant's contribution to the success of our Group's operations. In assessing whether options are to be granted to any Participant, our Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Participant to our Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of our Group, the positive impact which such Participant has brought to our Group's operations and whether granting the options to such Participant is an appropriate incentive to such Participant to continue to contribute towards our Group's operations.

For the purpose of the Share Option Scheme, "Participants" means any person who satisfied the eligibility criteria in paragraph (ii) below.

(ii) Who may participate

Our Board may, at any time during the period for which the Share Option Scheme is valid and effective, make an offer for options to:

- (i) any director or employee of any member of our Group (including persons who are granted options(s) under this Share Option Scheme as an inducement to enter into employment contracts with any member of our Group) and, for the avoidance of doubt, excludes any former employee unless such person qualifies as a Participant in some other capacity; and

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- (ii) any director or employee of the holding companies, fellow subsidiaries or associated companies of our Company,

who our Board considers, in its sole discretion, have contributed or will contribute to our Group.

The basis of eligibility of the Participants shall be determined by our Board from time to time. In determining the eligibility of each Participant, our Board shall consider the experience of the Participant on our Group's business, the length of employment or office of the Participant with our Group, the amount of support, assistance, guidance, advice or efforts the Participant has given or will give towards our Group's success and any other factor that allows our Board to assess the amount of contribution made or to be made by the Participant to our Group.

For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of these classes of participants shall not, by itself, unless our Directors otherwise so determine, be construed as a grant of option under the Share Option Scheme.

(iii) Scheme Mandate Limit

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any options or awards granted under any other share schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the [REDACTED] (the "**Scheme Mandate Limit**"). The Scheme Mandate Limit may be refreshed with the approval of Shareholders in general meeting, but no more frequently than permitted under Rule 17.03C of the Listing Rules. The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any options or awards granted under any other share schemes of our Company under the limit as refreshed must not exceed 10% of the Shares then in issue as at the date of our Shareholders' approval of the refreshed limit. Options lapsed under the Share Option Scheme and options or awards lapsed under other share schemes of our Company will not be counted for the purpose of calculating the Scheme Mandate Limit and the limit as refreshed.

The maximum number of Shares subject to a Scheme Mandate Limit shall, notwithstanding the terms of the resolution of Shareholders in general meeting approving such Scheme Mandate Limit, be adjusted proportionately on the effective date of any consolidation or sub-division of Shares subsequent to the date of passing of that resolution, provided that such maximum number of Shares as a percentage of the total number of Shares in issue immediately before or after such effective date shall be the same, other than for rounding to the nearest whole Share.

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Notwithstanding the foregoing, we may grant options beyond the Scheme Mandate Limit to Participants if:

- (a) separate Shareholders' approval has been obtained for granting options beyond the Scheme Mandate Limit to Participants specifically identified by us before such Shareholders' approval is sought, provided that the number and terms of the options to be granted must be fixed before such Shareholders' approval; and
- (b) our Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.

(iv) Maximum Entitlement of Each Individual

Where any further grant of options to a Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person under the Share Option Scheme and any other share scheme of our Company (excluding any options and awards lapsed in accordance with the terms of the Scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue (the "**Individual Limit**"), such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or associates if the Participant is a connected person) abstaining from voting. We must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant), and such other information required under the Listing Rules.

(v) Duration of Share Scheme

This Share Option Scheme shall be valid and effective for a period of 10 years commencing on the [REDACTED], after which period no further options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.

(vi) Grant of Options

Our Board shall be entitled, on and subject to the terms of this Share Option Scheme and the Listing Rules, at any time within 10 years after the [REDACTED] to make an offer (subject to such conditions as our Board may think fit) to any Participant as our Board may at its absolute discretion select to take up an option pursuant to which such Participant may, during the Option Period (i.e. in respect of any option, the period (which shall not exceed 10 years from the date of grant) to be determined and notified by our Board to the grantee at the time of making an offer, subject to earlier termination in accordance with the provisions of this Share Option Scheme), subscribe for such number of Shares as our Board

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may determine at the Subscription Price (as defined below). The offer shall specify the terms on which the option is to be granted. Such terms may, at the discretion of our Board include, among other things, (i) the minimum period for which an option must be held before it can be exercised; and/or (ii) a performance target that must be reached before the option can be exercised in whole or in part; and (iii) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

(vii) Conditions of the Share Option Scheme

The grant of options compromised in each offer is conditional upon the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval of the [REDACTED] of, and permission to [REDACTED], the Shares which fall to be issued pursuant to the exercise of the option to be granted. If this condition is not satisfied on or before the 30th day after the date of grant, any option granted or agreed to be granted pursuant to the offer shall be of no effect and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the offer.

(viii) Vesting Period and Exercise of Options

Save for the circumstances prescribed in the paragraph below, every grantee must hold an option for at least 12 months before he can exercise such option.

A grantee may be subject to a vesting period shorter than 12 months as deemed appropriate at the discretion of our Board or (where the grantee is our director or a member of our senior management) our Remuneration Committee in any of the following circumstances:

- (i) grants of "make-whole" options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to a Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;
- (iii) grants with performance-based vesting conditions in lieu of time-based vesting criteria. For example, this could be applicable where an employee or potential employee have exceptional skills or expertise and the performance target is to secure a specific particularly high value project or customer for our Group in less than 12 months;
- (iv) grants with a mixed or accelerated vesting schedule such as where the options may vest evenly over a period of 12 or more months. This could be applicable where we have set quarterly or semi-annual performance targets and the options would be vested in batches upon satisfaction of each of those targets in a way that the options would be vested evenly over a period of 12 or more months instead of all being vested in one-go upon the expiry of a certain period; and
- (v) grants with a total vesting and holding period of more than 12 months ("holding period" refers to the period during which the grantee is restricted from disposing of Shares that are issued upon the exercise of vested options).

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(ix) Performance targets

If and to the extent that any performance target is required to be achieved by any grantee before an option is capable of being exercised, such performance target shall be based on, amongst other things, length of continued employment with our Group, business or financial performance results, annual corporate targets or goals achieved, relevant transaction milestones, individual performance, and appraisal on contribution to our Group. There may be instances where it may be impracticable or inappropriate to include specific performance targets as a vesting condition of options. We consider that a grant of options after taking into account actual performance and/or contribution of the individual grantee and appropriate communication to the grantee of such correlation would also have the effect of incentivising and rewarding that grantee for their contribution. It is important that we retain the flexibility to tailor incentives and rewards to achieve the purpose of the Share Option Scheme and to ensure that our Group can continue to offer consistent and market competitive remuneration packages to its employees.

Where a grantee is an independent non-executive Director, the vesting of options shall not be subject to performance targets, unless our Board is satisfied that the existence of such target will not lead to any bias in the decision-making or compromise the objectivity and independence of such grantee in the course of performance by him of his duties as an independent non-executive Director.

(x) Subscription Price

The subscription price ("**Subscription Price**") shall be determined by our Board at its absolute discretion but in any event shall not be less than the higher of:-

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and
- (c) the nominal value of the Shares on the date of grant.

(xi) Acceptance of an Offer of Options

An offer shall be made to a Participant by letter in such form as our Board may from time to time determine requiring the Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Participant concerned for a period of 5 business days from the date of grant provided that no such offer shall be open for acceptance after the expiry of the Option Period or after the Share Option Scheme has been terminated in accordance with the terms hereof or after the Participant for whom the offer is made has ceased to be a Participant.

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No offer shall be made to, nor shall any offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations, or law.

An offer is deemed to be accepted when we receive from the grantee the offer letter signed by the grantee specifying the number of Shares in respect of which the offer is accepted and a remittance to our Company of HK\$1.00 as consideration for the grant of option. Such remittance is not refundable in any circumstances.

Any offer may be accepted in whole or in part provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the offer is not accepted within 30 days from the date on which the letter containing the offer is delivered to that Participant in the manner indicated in the paragraph above, it shall be deemed to have been irrevocably declined.

(xii) Exercise of Options

An option may, subject to the Scheme Mandate Limit and Individual Limit and the fulfilment of all the terms and conditions set out in the offer (if any), be exercised in whole or in part (but if in part only, it should be exercised in a whole board lot in which the Shares are traded on the Stock Exchange from time to time or an integral multiple thereof) by the grantee (or, as the case may be, his legal personal representative(s)) by giving notice in writing to us stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each notice must be accompanied by a remittance for the full amount of the Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 10 business days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the auditor's certificate or the certificate from our independent financial adviser pursuant to "(xxi) Effect of Reorganisation of Capital Structure" below, we shall accordingly allot and issue the relevant number of Shares to the grantee (or, as the case may be, his legal personal representative(s)) credited as fully paid and issue to the grantee (or, as the case may be, his legal personal representative(s)) share certificates in respect of the Shares so allotted.

(xiii) Share Capital

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto our Board shall make available sufficient authorised but unissued share capital of our Company to meet subsisting requirements on the exercise of options.

The options do not carry any right to vote in our general meetings, or any right, dividend, transfer or any other rights, including those arising on the liquidation of our Company.

(xiv) Ranking of the Shares

The Shares to be allotted upon the exercise of an option shall be subject to all the provisions of our memorandum of association and bye-laws for the time being in force

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and shall rank pari passu in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted to the relevant grantee on exercise of the option, and accordingly shall entitle the holders to receive all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted.

(xv) Rights on death

In the event of the grantee ceasing to be a Participant by reason of his death before exercising his option in full, subject to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof, for any outstanding option of the grantee:

- (a) his legal personal representative(s) may exercise the option (to the extent not already exercised) up to the grantee's entitlement (whether vested or not) as at the date of death within 6 months following his death unless subsection (b) or (c) of this paragraph applies;
- (b) where any of the events set out in "(xvii) Rights on a General Offer", "(xviii) Rights on Winding Up" and "(xvx) Rights on Company Reconstruction or Amalgamation" in this Appendix occurs prior to the grantee's death or within 6 months following his death, his personal representative(s) may exercise the option only within period set out in the applicable paragraphs; and
- (c) (where the grantee is an employee of our Group) if any of the events which would be a ground for termination of his employment as specified in "(xx) Lapse of Option — subparagraph (d)" of this Appendix have arisen in respect of the grantee at any time within 3 years prior to the grantee's death, we may at any time terminate the option (to the extent not already exercised) and declare any notice of exercise of option received (for which Shares have not been allotted) null and void and return in full the Subscription Price we have received in respect thereof.

(xvi) Rights on termination of employment or directorship

In the event of the grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in "(xx) Lapse of Option — subparagraph (d)" of this Appendix, his option (to the extent not already exercised) shall lapse automatically and shall not be exercisable on or after the date of termination of his employment. Any notice given by the grantee to exercise the option pursuant to "(xii) Exercise of Options" in this Appendix for which Shares have not been allotted shall be null and void and we shall return the Subscription Price we have received in respect thereof.

In the event of a grantee who is an employee or director of our Company or another member of our Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in "(xx) Lapse of Option — subparagraph (d)" of this Appendix, the option (to the extent not

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already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the grantee's last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable unless he continues to serve our Group in some other capacity (for example, as a director or employee of any other member of our Group), in which case the Board may determine that the option shall not lapse until such later date the Board determines to be appropriate.

(xvii) Rights on a General Offer

- (a) In the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement as set out below) is made to all the Shareholders (or all such Shareholders other than those permitted by the relevant regulatory authority to be excluded from the general offer) and such offer becomes or is declared unconditional prior to the expiry of the Option Period of any option, we shall forthwith notify all grantees who then hold unexercised options of their entitlements under this paragraph and any such grantee (or his legal personal representative) may, within such period as shall be notified by us after which the option shall cease to be exercisable, exercise his option (whether vested or not) either to its full extent or, in respect of any unvested portion, to such extent as may be specified by us, provided that where a court of competent jurisdiction has made an order to prohibit the offeror from acquiring Shares under the general offer, notwithstanding any notice given by us pursuant to this paragraph the option shall not become exercisable pursuant to that notice until after the discharge of that order.
- (b) In the event a general offer for Shares by way of scheme of arrangement is made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, we shall forthwith notify all grantees who then hold unexercised options of their entitlements under this paragraph and any such grantee (or his legal personal representative) may, within such period as shall be notified by us after which the option shall cease to be exercisable, exercise his option (whether vested or not) either to its full extent or, in respect any unvested option, to such extent notified by us.

(xviii) Rights on Winding Up

In the event a notice is given by us to our Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, we shall forthwith give notice thereof to all grantees who then hold unexercised options of their entitlements under this paragraph and any such grantee (or his legal personal representative) may, within such period as shall be notified by us after which the option shall cease to be exercisable, exercise his option (whether vested or not) either to its full extent or, in respect of any unvested option, to such extent notified by us, and we shall as soon as possible and in any event no later than 3 business days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the grantee such number of Shares to the grantee which fall to be issued on such exercise.

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(xix) Rights on Company Reconstruction or Amalgamation

In the event a notice is given by us to our Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a compromise or arrangement between us and our members or creditors proposed in connection with a scheme for the reconstruction or amalgamation of our Company (other than a scheme of arrangement contemplated in "(xvii) Rights on a General Offer — subsection (b)" in this Appendix), we shall forthwith give notice thereof to all grantees who then hold unexercised options of their entitlements under this paragraph (and the grantee (or his legal personal representative) may, within such period as shall be notified by us after which the option shall cease to be exercisable, exercise his option (whether vested or not) either to its full extent or, in respect of any unvested portion, to the extent notified by us, and we shall as soon as possible and in any event no later than 3 business days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the grantee such number of Shares which fall to be issued on such exercise.

(xx) Lapse of Option

Without prejudice to the authority of the Board to provide for additional situations where an option shall lapse, an option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:-

- (a) the expiry of the Option Period;
- (b) at the end of that date or the expiry of any of the periods referred to in "(xv) Rights on death", "(xvi) Rights on termination of employment or directorship", "(xvii) Rights on a General Offer", "(xviii) Rights on Winding Up" and "(xix) Rights on Company Reconstruction or Amalgamation" in this Appendix, after which the option shall cease to be exercisable;
- (c) the date of the commencement of the winding-up of our Company;
- (d) the date on which the grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of the Board or the board of directors of the relevant subsidiary to the effect that the employment or directorship of a grantee has or has not been terminated on one or more of the grounds specified in this subsection (d) shall be conclusive and binding on the grantee, and where appropriate, his legal representative(s). Transfer of employment or

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directorship of a grantee from one member of our Group to another member of our Group shall not be considered a termination of employment or directorship; and

- (e) the date on which the grantee commits a breach of the restrictions on transfer of the options.

(xxi) Effect of Reorganisation of Capital Structure

In the event of an alteration in the capital structure of our Company, whilst any option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the share capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party), such corresponding adjustments (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the option so far as unexercised; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the option(s),

or any combination therefore, provided that:

- (a) any such adjustments give a grantee the same proportion of the equity capital of our Company, rounded to the nearest whole share, as that to which that grantee was previously entitled; and
- (b) notwithstanding "(xxi) Effect of Reorganisation of Capital Structure — subsection (a)" above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures (referred to in Hong Kong Accounting Standards 33) and the acceptable adjustments set out in the "Frequently asked questions on adjustments of the exercise price of share options" (FAQ No. 072-2020) on Rule 17.03(13) of the Listing Rules and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, but no such adjustments shall be made to the extent that a Share would be issued at a price less than its nominal value.

We shall engage our auditors or an independent financial adviser to certify in writing, either generally or as regards any particular grantee, that the adjustments made by our Company (other than adjustment made on a capitalisation issue) satisfy the requirements set out in subsections (a) and (b) above. The capacity of the auditors or independent financial adviser (as the case may be) in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and

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binding on us and the grantees. The costs of the auditors or independent financial adviser (as the case may be) shall be borne by us.

If there has been any alteration in the capital structure of our Company as referred to above, we shall within 28 days after receipt of a confirmation of the independent financial adviser or the auditors, inform the grantee of such alteration and of any adjustment to be made.

If our Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved or refreshed by the Shareholders, the maximum number of Shares that may be issued in respect of all options and awards to be granted under all share schemes of our Company under the Scheme Mandate Limit shall automatically be proportionately adjusted provided that such maximum number of shares 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, rounded to the nearest whole share.

(xxii) Cancellation of Options

Any options granted but not exercised may be cancelled with the consent of the relevant grantee and on such terms as may be agreed, as our Board may at its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation, except that where the grantee is in breach of "(xxv) Rights are Personal to the Grantee" in this Appendix, the Board may cancel any outstanding option without the relevant grantee's agreement. For the avoidance of doubt, no consent is required to be given by the grantee where an option lapses in accordance with "(xx) Lapse of Option" in this Appendix.

Where we cancel options and offer to issue new options to the same grantee, the issue of such new options may only be made under the Share Option Scheme within the limits prescribed by the Scheme Mandate Limit and Individual Limit in accordance to "(iii) Scheme Mandate Limit" and "(iv) Maximum Entitlement of Each Individual" in this Appendix, excluding the cancelled options, and are otherwise granted in accordance with the terms of the Share Option Scheme.

(xxiii) Alteration of the Share Option Scheme

The specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of the Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any change to the terms of any options shall only take effect after approval of the change is given by our Board, our Remuneration Committee, the independent non-executive Directors (as a group) and/or the Shareholders if the grant of that option was approved by it or them (or their predecessors in that role). The preceding sentences of this paragraph do not apply to alterations taking effect automatically under the existing terms of the Share Option Scheme. The Scheme so altered must comply with Chapter 17 and other relevant requirements of the Listing Rules.

(xxiv) Termination of the Share Option Scheme

Our Company by ordinary resolution in general meeting, or our Board, may at any time terminate this Share Option Scheme and in such event no further options may be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect in respect of options which are granted during the life of the Share Option Scheme (to the extent necessary to give effect to the exercise of such options) and which remain unexercised or which are exercised but the Shares in respect of such exercised options have not been issued to the grantees yet immediately prior to the termination of the operation of the Share Option Scheme.

(xxv) Rights are Personal to the Grantee

An option shall be personal to the grantee and shall not be assignable or transferable and no grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any option or enter into any agreement to do so. Any breach of the foregoing by the grantee shall entitle us to cancel any outstanding option or any part thereof granted to such grantee to the extent not already exercised without incurring any liability on our part. Notwithstanding the foregoing, a grantee may transfer any option to a vehicle (such as a trust or private company) for the benefit of himself and/or his family members (such as for the purpose of estate planning or tax planning purposes) provided that the Stock Exchange has prior to such transfer granted a waiver to allow such transfer.

As at the Latest Practicable Date, no option has been granted or agreed to be granted pursuant to the Share Option Scheme.

Details of the Share Option Scheme, including particulars and movements of the options granted during each financial year of our Company, and our employee costs arising from the grant of the options will be disclosed in our annual report.

E. OTHER INFORMATION

1. Indemnities

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, the Czech Republic, Germany, Austria, Malta and Hong Kong.

FEC and Ample Bonus have entered into a Deed of Indemnity in favour of our Company (for itself and as trustee for each of our present subsidiaries) whereby it has given an indemnity in connection with, among other matters, taxation which might fall on us resulting from or by reference to the Reorganisation whether or not such taxation or taxation claim is chargeable against or attributable to any other person, firm or company, subject to certain exceptions set out below. In connection with the Reorganisation, we estimate that the amount of tax payable is expected to be not more than EUR2.0 million (approximately HK\$17.1 million). The actual tax expenses will be charged to the combined statements of profit or loss and other comprehensive income for the year ending 31 March 2024. Pursuant to the Deed of Indemnity, FEC and Ample Bonus have agreed to indemnify us for taxation arising from the Reorganisation.

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FEC and Ample Bonus will, however, not be liable under the Deed of Indemnity:

- (i) to the extent that provision, reserve or allowance has been made for such taxation in the audited accounts of the Group for [each of the three financial years ended 31 March 2023] ("Accounts"), if any;
- (ii) to the extent that such taxation arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulation or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the Taxation Authority of the Czech Republic, Germany, Austria or Malta or any other relevant authority (whether in the Czech Republic, Germany, Austria or Malta or Hong Kong or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent such taxation arises or is increased by an increase in rates of taxation after the thereof with retrospective effect;
- (iii) to the extent of any provision or reserve made for taxation in the Accounts which is finally established to be an over-provision or an excessive reserve in which case the indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied to reduce the indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter;
- (iv) falling on the Company after the [REDACTED] unless (a) the bases of such taxation occur prior to the [REDACTED]; or (b) such taxation would not have arisen but for any act or omission by the Company (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected without the prior written consent or agreement of the indemnifiers (such consent or agreement not to be unreasonably withheld or delayed), otherwise than in the ordinary course of business after the date of the Deed of Indemnity; and
- (v) to the extent that such taxation is discharged by another person who is not the Company or a member of the Group companies and that the Company or such member of the Group companies is not required to reimburse such person in respect of the discharge of the taxation.

2. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to our Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on the results of operations or financial position of our Group as a whole.

APPENDIX VI

STATUTORY AND GENERAL INFORMATION

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the [REDACTED] for the [REDACTED] of, and permission to [REDACTED], all our Shares in issue and any Shares which may fall to be issued as mentioned herein, including any Shares that may fall to be issued upon the exercise of the [REDACTED]. All necessary arrangements have been made enabling such Shares to be admitted into CCASS.

The Sole Sponsor is independent from our Company pursuant to Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive a fee of HK\$3,800,000 for acting as the sponsor for the [REDACTED].

4. Registration procedures

The register of members of our Company will be maintained in the Cayman Islands by [REDACTED] and a branch register of members of our Company will be maintained in Hong Kong by our [REDACTED]. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our [REDACTED] and may not be lodged in the Cayman Islands.

5. Taxation of holders of Shares

(a) the Cayman Islands

Under the present the Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares unless our Company holds interests in land in the Cayman Islands.

(b) Hong Kong

The sale, purchase and transfer of shares registered with our Hong Kong register of members will be subject to Hong Kong stamp duty. The stamp duty is currently set at a total rate of 0.26% of the greater of the consideration for, or the value of, shares transferred, with 0.13% payable by each of the buyer and the seller. Profits from dealings in the shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(c) Generally

Potential holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of applying for, purchasing, holding or disposing of, or dealing in, Shares. It is emphasised that none of our Company, our Directors, the Sole Sponsor, the [REDACTED] and all of their respective directors, agents or advisers nor any other parties involved in the [REDACTED] accepts responsibility for any tax effect on, or liabilities of, persons resulting from the subscription for, holding, purchase or disposal of or dealing in the Shares.

APPENDIX VI	STATUTORY AND GENERAL INFORMATION
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6. Agency fees and commissions received

Save as disclosed in this document, none of our Directors nor any of the parties listed in paragraph 9 of this Appendix had received any commissions, discounts, agency fees, brokerages or other special terms in connection with the issue or sale of any capital of our Company or any member of our Group within the two years preceding the date of this document.

7. Preliminary expenses

The preliminary expenses incurred by our Company in relation to our incorporation were approximately US\$5,615 and were paid by us.

8. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Save as disclosed in this document, within two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

9. Qualification of experts

The following are the qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document:

Expert	Qualification
Guotai Junan Capital Limited	Licensed corporation under the SFO permitted to carry out type 6 (Advising on Corporate Finance) regulated activity (as defined under the SFO)
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditors
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
China Insights Industry Consultancy Limited	Independent industry consultant firm
Becker a Poliakoff, s.r.o., advokátní kancelář	Legal adviser as to Czech law
avocado rechtsanwälte	Legal adviser as to German law

APPENDIX VI	STATUTORY AND GENERAL INFORMATION
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Expert	Qualification
Kraft Rechtsanwalts GmbH	Legal advisers as to Austrian law
WH Partners	Legal advisers as to Maltese law
Deloitte Touche Tohmatsu	AML Consultant
Roma Appraisals Limited	Independent property valuer

10. Consents of experts

Each of the experts named in paragraph 9 of this Appendix has given and has not withdrawn its written consent to the issue of this document with inclusion of its report and/or letter and/or opinion and/or references to its name in the form and context in which they are respectively included.

11. Interests of experts in our Company

None of the experts named in paragraph 9 of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

12. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

13. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no founders or management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;

APPENDIX VI STATUTORY AND GENERAL INFORMATION

- (iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.
- (b) To the best knowledge, information and belief of our Directors, having made all reasonable inquiries, our Directors confirm that save as disclosed in (i) Note 38 "Subsequent Events" in the Accountants' Report and (ii) "Recent Developments" in "Summary" in this document:
- (i) there has been no material adverse change in the financial, operational or trading position or prospects of our Group since 31 March 2023 (being the date to which the latest audited combined financial statements of our Group were prepared); and
 - (ii) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial condition of our Group in the 12 months preceding the date of this document.
- (c) All necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement.
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) We have no outstanding convertible debt securities.
- (f) There is no arrangement under which future dividends are waived or agreed to be waived.

14. Bilingual document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

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STATUTORY AND GENERAL INFORMATION

15. Particulars of the [REDACTED]

The particulars of the [REDACTED] are set out below:

Name:	Ample Bonus
Description:	Company
Place of incorporation:	British Virgin Islands
Registered address:	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG1110, British Virgin Islands
Number of Shares to be [REDACTED]:	[REDACTED], representing approximately [REDACTED] of the total issued share capital of our Company immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised)