
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Far East Horizon Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker 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.



遠東宏信有限公司
FAR EAST HORIZON LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 3360)

PROPOSED RE-ELECTION OF RETIRING DIRECTORS
PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK
AND TO ISSUE SHARES
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
PROPOSED DECLARATION OF SPECIAL DIVIDEND BY WAY OF
DISTRIBUTION IN SPECIE OF HCD SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of Far East Horizon Limited to be held at 3:00 p.m. on Wednesday, 5 June 2024 at Emerald I&II, Level 8, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong is set out on pages 48 to 54 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.fehorizon.com>).

Whether or not you are able to attend the Annual General Meeting, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 3:00 p.m. on Monday, 3 June 2024 (Hong Kong time). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Annual General Meeting if they so wish.

2 May 2024

CONTENTS

	<i>Page</i>
Definitions	1
Indicative timetable	6
Letter from the Board	
1. Introduction	8
2. Proposed Re-election of Retiring Directors	9
3. Proposed Granting of General Mandates to Buy Back and to Issue Shares	9
4. Proposed Adoption of the New Share Option Scheme	10
5. Proposed declaration of special dividend by way of distribution in specie of HCD Shares	17
6. Responsibility Statement	21
7. Annual General Meeting and Proxy Arrangement	21
8. Recommendation	22
Appendix I – Details of the Retiring Directors Proposed to be Re-elected	23
Appendix II – Explanatory Statement on the Share Buy-back Mandate	29
Appendix III – Summary of the Principal Terms of the New Share Option Scheme	32
Notice of Annual General Meeting	48

DEFINITIONS

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

“2014 Share Option Scheme”	the option scheme adopted by the Company and approved by the Shareholders at the general meeting held on 7 July 2014;
“2019 Share Option Scheme”	the option scheme adopted by the Company and approved by the Shareholders at the annual general meeting held on 5 June 2019;
“Acceptance Date”	the date on which the Offer of any Share Option shall be accepted by a Participant, namely a date within 14 days after the Granting Date;
“Administration Committee”	the committee formed by all the members of the remuneration and nomination committee of the Board and two executive Directors (namely KONG Fanxing and WANG Mingzhe), which has been authorized by the Board to operate, manage and administer the New Share Option Scheme;
“Adoption Date”	the date on which the New Share Option Scheme is approved and adopted by the Shareholders of the Company;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 5 June 2024 at Emerald I&II, Level 8, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 48 to 54 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company as amended from time to time;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Auditors”	the auditors of the Company for the time being;
“Board”	the board of Directors;

DEFINITIONS

“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business;
“CCASS”	the Central Clearing and Settlement System established and operated by Hong Kong Securities Clearing Company Limited
“CCASS Investor Participant”	a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation
“CCASS Participant”	any person admitted to participate in CCASS as a direct clearing participant, a general clearing participant, a custodian participant, or any CCASS Investor Participant
“ChinaClear”	China Securities Depository and Clearing Corporation Limited (中國證券登記結算有限責任公司)
“China” or “the PRC”	The People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administration Region of the PRC and Taiwan;
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Company”	Far East Horizon Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Distribution HCD Shares”	no more than 799,311,000 HCD Shares held by the Company to be distributed to the Shareholders pursuant to the Distribution in Specie
“Distribution in Specie”	the distribution of a special dividend by the Company to the Qualifying Shareholders in the form of a distribution in specie of no more than 799,311,000 HCD Shares in the proportion of 10 Distribution HCD Shares for every 54 Shares held on the Record Date
“Employee”	an employee of the Company or any subsidiary of the Company;

DEFINITIONS

“Employee Participant(s)”	any Employee who meets the conditions of the Participant(s);
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of a Share Option under the New Share Option Scheme Rules;
“Grant”, “Offer” or “Offer of Share Option(s)”	the grant of any Share Option under the New Share Option Scheme Rules;
“Grantee(s)”	any Participant(s) who accepts the Offer of any Share Option in accordance with the New Share Option Scheme Rules;
“Granting Date”	in relation to any Share Option, the business day on which the Board resolves to grant Share Options to a Participant;
“Group”	the Company and its subsidiaries;
“HCD”	Horizon Construction Development Limited (宏信建設發展有限公司), a company incorporated in Cayman Islands with limited liability, whose shares are listed on the Main Board of the Stock Exchange (stock code: 9930)
“HCD Share(s)”	ordinary share(s) in the share capital of HCD with a par value of US\$0.00002 each
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Joint Announcement”	the joint announcement of the Company and HCD dated 30 April 2024 in relation to the Distribution in Specie
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board, a general mandate proposed to be granted to the Directors to allot, issue or deal with additional Shares of not exceeding 20% of the total number of issued shares in the share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 48 to 54 of this circular;

DEFINITIONS

“Latest Practicable Date”	26 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	Shareholder(s) whose (respective) address as shown on the register of members of the Company on the Record Date is in a place outside Hong Kong (if any), and whom is excluded from receiving the Distribution HCD Shares in the Distribution in Specie on account of the relevant legal or regulatory requirements or restrictions by the Board out of necessity or expediency
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company and approved by the Shareholders at the AGM, a summary of its principal terms is set out in Appendix III to this circular;
“New Share Option Scheme Rules”	rules of the New Share Option Scheme;
“Participant(s)”	any Employee Participant who meets the conditions of participation as set out in the Listing Rules and the New Share Option Scheme;
“PRC Stock Connect Investors”	PRC southbound trading investor(s) holding Shares through Shanghai Connect and/or Shenzhen Connect through ChinaClear as nominee
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“RMB”	Renminbi, the lawful currency of the PRC;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Record Date”	Friday, 14 June 2024, being the date fixed for determining the Shareholders’ entitlements to the distribution of a final dividend and the Distribution in Specie

DEFINITIONS

“Share(s)”	ordinary share(s) in the issued capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary share capital of the Company;
“Share Buy-back Mandate”	as defined in paragraph 3(a) of the Letter from the Board, a general mandate proposed to be granted to the Directors to buy back Shares on the Stock Exchange of not exceeding 10% of the total number of issued shares in the share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 48 to 54 of this circular;
“Share Option(s)”	share option(s) to subscribe for Shares that may be granted under the New Share Option Scheme from time to time;
“Share Option Period”	the period during which any Share Option is exercisable as determined by the Board or the Administration Committee and notified to the Grantee thereof at the time of the Grant of the Share Option, which shall end no later than ten years after the Granting Date;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	the companies which are for the time being and from time to time the subsidiary(ies) (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) of the Company;
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong as amended, supplemented or otherwise modified from time to time; and
“%”	per cent.

INDICATIVE TIMETABLE

The expected time and dates in the timetable for the Distribution in Specie and in this circular are indicative only and may be subject to change. Any such change will be announced in a separate announcement by the Company as and when appropriate.

All time and date references contained in this circular shall refer to Hong Kong local time and dates.

Despatch of circular by the Company on,
inter alia, Distribution in SpecieThursday, 2 May 2024

Latest time for lodging transfer of the Shares
of the Company in order to be qualified for
attending and voting at the AGM4:30 p.m. on
Thursday, 30 May 2024

Register of members of the Company closes
for the purpose of determining qualification
for attending and voting at the AGM
(both days inclusive)Friday, 31 May 2024 to
Wednesday, 5 June 2024

Latest date and time for lodging proxy forms
for the AGM3:00 p.m. on
Monday, 3 June 2024

Date and time of the AGM3:00 p.m. on
Wednesday, 5 June 2024

Announcement of results of the AGM to be
posted on the Stock Exchange's and the
Company's websitesWednesday, 5 June 2024

Register of members of the Company
reopensThursday, 6 June 2024

Last day of dealings in the Shares
of the Company cum-entitlement to the
distribution of a final dividend and the
Distribution in SpecieThursday, 6 June 2024

First day of dealings in the Shares
of the Company ex-entitlement to the
distribution of a final dividend and the
Distribution in SpecieFriday, 7 June 2024

INDICATIVE TIMETABLE

Latest date and time for lodging transfer documents of Shares of the Company to qualify for entitlement to the distribution of a final dividend and the Distribution in Specie	4:30 p.m. on Tuesday, 11 June 2024
Register of members of the Company closes for the purpose of determining qualification for the distribution of a final dividend and the Distribution in Specie (both days inclusive)	Wednesday, 12 June 2024, to Friday, 14 June 2024
Record Date	Friday, 14 June 2024
Register of members of the Company reopens	Monday, 17 June 2024
Despatch of certificates for Distribution HCD Shares	Friday, 28 June 2024
Odd lots matching	9:00 a.m. on Tuesday, 2 July 2024 to 4:00 p.m. on Monday, 22 July 2024

EFFECT OF BAD WEATHER AND EXTREME CONDITIONS ON THE LATEST TIME FOR LODGING TRANSFER DOCUMENTS OF THE SHARES TO QUALIFY FOR THE DISTRIBUTION IN SPECIE

If there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning in force, or “extreme conditions” announced by the government of Hong Kong, on Tuesday, 11 June 2024, being the date on which the latest time for lodging transfer documents of the Shares in order to qualify for the Distribution in Specie, the dates mentioned in the timetable above may be affected. In the event of any change to the timetable, the Company will notify the Shareholders by way of announcement as soon as practicable.

LETTER FROM THE BOARD



遠東宏信有限公司 FAR EAST HORIZON LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock code: 3360)

Executive Directors:

Mr. KONG Fanxing (*Chairman,
Chief Executive Officer*)
Mr. WANG Mingzhe (*Chief Financial Officer*)
Mr. CAO Jian (*Senior Vice President*)

Non-executive Directors:

Mr. CHEN Shumin (*Vice Chairman*)
Ms. WEI Mengmeng
Mr. LIU Haifeng David
Mr. KUO Ming-Jian
Mr. John LAW

Independent Non-executive Directors:

Mr. HAN Xiaojing
Mr. LIU Jialin
Mr. YIP Wai Ming
Mr. WONG Ka Fai Jimmy

Registered Office and Headquarters:

Unit 6608, 66/F
International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Principal Place of Business in the PRC:

Far East Horizon Plaza
9 Yaojiang Road
Pudong New Area
Shanghai
The People's Republic of China

2 May 2024

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION OF RETIRING DIRECTORS
PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK
AND TO ISSUE SHARES
PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME
PROPOSED DECLARATION OF SPECIAL DIVIDEND BY WAY OF
DISTRIBUTION IN SPECIE OF HCD SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the Annual General Meeting for, including but not limited to, (i) re-election of the retiring Directors; (ii) the granting to the Directors of the Share Buy-back Mandate and the Issuance Mandate to buy back Shares and to issue new Shares respectively; (iii) the adoption of the New Share Option Scheme; and (iv) the declaration of special dividend by way of distribution in specie of HCD Shares; and to give the Shareholders notice of the Annual General Meeting.

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 72(1) of the Articles of Association, Mr. KONG Fanxing, Mr. WANG Mingzhe and Mr. LIU Haifeng David shall retire at the Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting, at which an ordinary resolution for the re-election of each of the retiring Directors will be proposed for Shareholders' approval.

Details of the retiring Directors proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

3. PROPOSED GRANTING OF GENERAL MANDATES TO BUY BACK AND TO ISSUE SHARES

At the annual general meeting of the Company held on 7 June 2023, general mandates were granted to the Directors to buy back and to issue Shares respectively. Such mandates will lapse at the conclusion of the Annual General Meeting. In order to give the Company the flexibility to buy back and to issue Shares if and when appropriate, the following ordinary resolutions will be proposed at the Annual General Meeting to approve:

- (a) the granting of the Share Buy-back Mandate to the Directors to buy back Shares on the Stock Exchange not exceeding 10% of the total number of issued shares in the share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 5 of the notice of the Annual General Meeting as set out on pages 48 to 54 of this circular (i.e. a total of 431,513,586 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting);
- (b) the granting of the Issuance Mandate to the Directors to allot, issue or deal with additional Shares not exceeding 20% of the total number of issued shares in the share capital of the Company as at the date of passing of the proposed ordinary resolution contained in item 6 of the notice of the Annual General Meeting as set out on pages 48 to 54 of this circular (i.e. a total of 863,027,173 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting); and
- (c) the extension of the Issuance Mandate by adding the total number of Shares bought back by the Company pursuant to the Share Buy-back Mandate.

With reference to the Share Buy-back Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to buy back any Shares or issue any new Shares pursuant thereto.

An explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the granting of the Share Buy-back Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 13 March 2024 in relation to among others, the proposed adoption of the New Share Option Scheme.

Since all share options under the 2014 Share Option Scheme and the 2019 Share Option Scheme have been fully granted, the remuneration and nomination committee of the Company has reviewed the New Share Option Scheme, and recommended the Board to approve the proposed adoption of the New Share Option Scheme after taking into consideration of, including but not limited to, the qualification of Participants, the maximum limits for the scheme, the performance targets and vesting period, and relevant matters such as the conditions for the Grant, vesting and exercise. The Board has resolved and approved the proposed adoption of the New Share Option Scheme pursuant to Chapter 17 of the Listing Rules on 13 March 2024, and the relevant ordinary resolution will be proposed at the AGM for Shareholders to consider and, if appropriate, to approve the adoption of the New Share Option Scheme. The Board believes that the continued success of the Group is closely tied with the commitment and efforts of the Employees. The proposed adoption of the New Share Option Scheme will serve as incentives to motivate the Employees to make further contributions to the Group.

The principal terms of the New Share Option Scheme are set out in Appendix III to this circular. The full text of the New Share Option Scheme will be (i) published on the HKEXnews website at www.hkexnews.hk and the Company's website at www.fehorizon.com for a period of 14 days from the date of this circular (both days inclusive); and (ii) available for inspection at the AGM.

Further announcement will be made by the Company in accordance with all applicable requirements of the Listing Rules in due course.

Conditions of the Adoption of the New Share Option Scheme

The New Share Option Scheme shall take effect on the Adoption Date upon the approval of the Shareholders, and is conditional upon the Stock Exchange granting the approval of the listing of, and permission to deal in, such number of Shares to be issued by the Company pursuant to the exercise of the Share Options in accordance with the terms of the New Share Option Scheme.

Application for Listing

Application will be made to the Stock Exchange for approval for the listing of, and permission to deal in, any Shares which the Company may issue upon the exercise of all of the Share Options that may be granted under the New Share Option Scheme.

LETTER FROM THE BOARD

Purpose

The purpose of the New Share Option Scheme is to reward the Participants for their contribution to the Group and to encourage the Participants to continue their efforts towards enhancing the value of the Company and its Shares in the interests of the Company and all its Shareholders.

Management

The Board is responsible for the interpretation of the New Share Option Scheme. The decisions of the Board shall be final and binding on the parties in respect of all matters relating to the New Share Option Scheme or its interpretation or effect. The Administration Committee is responsible for the day-to-day management and administration of the New Share Option Scheme.

Maximum Limit

As approved by the Board and pending Shareholders' review and approval, the total number of new Shares in respect of which the Share Options may be granted under the New Share Option Scheme shall not exceed 4% of the Company's total issued Shares as at the date of approval and adoption of the New Share Option Scheme by the Shareholders (the "**Scheme Mandate Limit**"), which is 172,605,434 Shares, assuming there is no change to the Company's total issued Shares from the Latest Practicable Date to the date of convening the AGM approving the New Share Option Scheme. For the avoidance of doubt, in any event, the total number of Shares which may be issued in respect of all share options and awards to be granted under the New Share Option Scheme and any other schemes will not exceed 10% of the Company's total issued Shares as at the date of approval and adoption of the New Share Option Scheme by the Shareholders.

The Company may, as the Board thinks fit, seek Shareholders' approval to refresh the Scheme Mandate Limit, and the total number of Shares which may be issued upon the refreshment of the Scheme Mandate Limit in respect of all share options and awards granted under all schemes (including the New Share Option Scheme and any other share schemes) shall not exceed 10% of the total number of the Shares in issue as at the date of the approval of the refreshment of the Scheme Mandate Limit by the Shareholders of the Company. A period of at least 3 years shall elapse since the date on which a scheme was last approved and adopted or renewed by the Shareholders at a general meeting. If the Company proposes to make any refreshment within any 3-year period, it shall seek Shareholders' approval and comply with the requirements of Rule 17.03C(1)(b) of the Listing Rules.

The Company may separately convene a general meeting to seek Shareholders' approval for the Grant of Share Options in excess of the Scheme Mandate Limit, provided that the number in excess of the limit may only be granted to those Participants who have been specifically designated by the Company prior to obtaining such Shareholders' approval. The Share Options which have lapsed at the time of determining the Scheme Mandate Limit shall

LETTER FROM THE BOARD

not be counted as used. If the Company conducts a share consolidation or sub-division after the approval of the Scheme Mandate Limit by the Shareholders at a general meeting, the maximum number of Shares which may be issued under all share options and awards to be granted under all schemes of the Company (including the New Share Option Scheme and any other share schemes) in accordance with the Scheme Mandate Limit as a percentage of the total number of Shares in issue as at the date immediately before and after such consolidation or sub-division (rounded to the nearest whole Share) must be the same.

If the Grant of a Share Option to a Participant would result in the number of Shares issued and proposed to be issued under all share options and awards granted to that participant (excluding the lapsed options and awards under the terms of the scheme) within any twelve-month period up to and including the Granting Date of the Share Option exceeds 1% of the total number of Shares of the Company in issue, the Company shall convene a separate general meeting to seek Shareholders' approval, at which the Participant and his/her close associates (or his/her associates if the Participant is a connected person) shall abstain from voting.

Any Grant of a Share Option to any Director, chief executive or substantial shareholder of the Company or their respective associates shall require the prior approval of the independent non-executive Directors of the Company (excluding the independent non-executive Director who is to be granted such Share Options). If the Grant of a Share Option to any substantial shareholder or independent non-executive Director of the Company or any of their respective associates would result in the issue and proposed issue of Shares in respect of all share options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) in the twelve months prior to and including the Granting Date exceeding 0.1% of the total number of Shares of the Company in issue as at the date of the aforesaid Grant, the further Grant of the Share Option must be approved by the Shareholders of the Company at a general meeting in the manner as set out in Rule 17.04(4) of the Listing Rules, and the Grantee and his/her associates and all core connected persons of the Company shall abstain from voting and a circular shall be despatched to Shareholders under the Listing Rules.

Participants and the Basis of Determining the Eligibility of Participants

Participants of the New Share Option Scheme include Employee Participants who meet the conditions of participation as set out in the Listing Rules and the New Share Option Scheme, specifically, include the senior management, middle management and other key Employees of the Company or any subsidiary of the Company who meet the conditions of participation as set out in the Listing Rules and the New Share Option Scheme. In determining the basis of eligibility of Employee Participants, their employment status with the Group, such as for how long they have been an Employee, the managerial or key positions held and the corresponding functions assumed, individual expertise, skills or experience, contribution to the operation and management of the Group, and such other factors as may be deemed appropriate by the Board or the Administration Committee in its sole discretion will be taken in consideration.

LETTER FROM THE BOARD

The Board believes that the Participants will share the same interests and targets with the Group upon the Grant of Share Options. Accordingly, the adoption of the New Share Option Scheme will motivate more Employees to work for the benefit of the Group as a whole, promote the sustainable development of the Group, and thus enhance the corporate value of the Group. In addition, the Directors consider that the Grant of Share Options in accordance with the above-mentioned eligibility considerations aligns with the purpose of the New Share Option Scheme as it would allow the Company to award and incentivize the Participants based on an overall assessment of their historical and future potential contributions. As their contributions are essential to the development of the Group as well as the Group's business performance, the Directors consider that the above basis for determining the eligibility of Participants are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Grant

Pursuant to the New Share Option Scheme Rules, the Board or the Administration Committee may, from time to time, in their respective absolute discretion, select the Grantees and determine the number of Share Options to be granted in accordance with the New Share Option Scheme Rules after taking into account a number of factors which they consider appropriate for the Grant of Share Options under the New Share Option Scheme. The terms on which Share Options are granted may be determined by the Board or the Administration Committee in their respective absolute discretion.

The Board or the Administration Committee may, in its sole discretion, when offering Share Options, may impose any conditions, restrictions or limitations in relation thereto in addition to (but not inconsistent with) the New Share Option Scheme Rules as it may deem appropriate (as set out in the letter containing the Grant of the Offer of the Share Options), including the performance, operating or financial targets to be achieved by the Company, the Company's subsidiary(ies) and/or the Grantee, certain conditions or obligations or performance targets to be met or satisfactorily performed by the Grantee who is granted the Share Options (including, as the case may be, his/her expertise, skills or experience, contribution to the Group, performance and synergies at work, achievement of performance targets or annual appraisal results, key performance indicators of respective department(s) that the Grantee belongs), and the vesting time for the Grantee to exercise all or part of his/her Share Options.

The Board or the Administration Committee will conduct assessment by comparing the actual performance, operating or financial results of the Company, the Company's subsidiary(ies) and the actual performance of the Grantee with the pre-determined targets or individual performance indicators to determine whether or to what extent the performance targets have been met. Such pre-determined targets or individual performance indicators may be set by the Board or the Administration Committee on a case by case basis with reference to factors including the specific position and role of the relevant Grantee, and the overall business plan, strategy and the expected financial performance of the Group in the relevant period. The performance target will be deemed to be met when the actual level achieved reaches or exceeds the level of the pre-determined targets or individual performance indicators.

The Board is of the view that the setting of performance targets provides sufficient motivation and incentives for the Grantees to improve their performance and to contribute to the overall development and business success of the Group. Accordingly, the Board considers that such performance targets are consistent with the purpose of the New Share Option Scheme and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Company may not grant any Share Options after inside information has come to its knowledge until (and including) the trading day after the inside information is announced. In particular, it may not grant any Share Options during the period commencing one month immediately before the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange by the Company 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
- (b) the deadline for the Company 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),

and ending on the date of the results announcement of the Company. For the avoidance of ambiguity, no Share Option may be granted during any period of delay in publishing a results announcement, if any.

In accordance with the New Share Option Scheme Rules, Participants who have been granted Share Options should decide whether or not to accept the Offer of Share Options within the period specified after the Granting Date. If the Company receives, within the period of the acceptance date, a letter of Offer of Share Options duly signed by such Participant specifying the number of Shares in respect of which he/she accepts the Offer of Share Options and, at the same time, receives from him/her a remittance to the Company of the consideration for the Grant of the Share Options in the amount of HK\$1.00, the Share Options in respect of which the letter of Offer of Share Options is signed shall be deemed to have been granted and to have become effective. The consideration of HK\$1.00 for the Grant of the Share Options is nominal only and taking into account the contributions made or to be made by the Participants to the Group, the Board considers that the nominal consideration of HK\$1.00 to be paid by each Participant for the purchase of each of the Share Options is fair and reasonable and that such arrangement is in line with the purpose of the New Share Option Scheme, i.e. it is intended that Share Options be granted to the participants to incentivize them for their contribution to the Group.

Vesting, Lapse and Exercise of Share Options

The vesting of Share Options granted under the New Share Option Scheme is subject to the achievement of the Company's performance targets for the previous year (based on the budget targets approved by the Board for the previous year, including net profit growth rate, EPS growth rate, ROE, etc.), and other vesting conditions specified in the New Share Option Scheme as stipulated under Clauses (G)(ii) to (G)(viii) in Appendix III to this circular. Upon fulfillment of the vesting conditions, one-third of the Share Options granted to Grantees will be vested on the first anniversary of the Granting Date, one-third on the second anniversary of the Granting Date and the remaining on the third anniversary of the Granting Date. The Company is of the view that the vesting period and schedule, in particular, vesting Share Options evenly over three years, would encourage long-term contribution of the Grantees, which is in line with the purpose of the New Share Option Scheme.

LETTER FROM THE BOARD

For those Share Options granted but not vested, the Board or the Administration Committee has the sole discretion to adjust the number of Share Options that may be vested in the future by the relevant Grantees in the event of certain specific events set forth in the New Share Option Scheme Rules. When a Grantee ceases to qualify as a Participant for the reasons set forth in the New Share Option Scheme Rules, such person will cease to be a Participant for purposes of the New Share Option Scheme, the Grant of Share Options will lapse immediately and automatically, and all Share Options granted but not vested will not be vested on the vesting date. The Company is of the view that the aforesaid will provide the Company with more flexibility in setting the terms and conditions of the Share Options under the individual circumstances of each Grant in order to attract and retain quality Employees that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole, which is in line with the purpose of the New Share Option Scheme.

Share Options granted under the New Share Option Scheme belong to the respective Grantees and may not be assigned or transferred. Share Options shall be exercised within the Share Option Period determined by the Board or the Administration Committee (which may not be later than 10 years from the Granting Date of relevant Share Options). A Share Option will lapse automatically and not be exercisable (to the extent not exercised) on the earliest of:

- (a) the expiry of the Share Option Period (which shall end no later than ten years after the Granting Date);
- (b) the dates relating to no vesting referred to in paragraph (G) in Appendix III to this circular;
- (c) the date on which a Grantee violates Clause (H)(i) in Appendix III to this circular;
- (d) the dates relating to no exercise referred to in Clause (H)(ii)(a) and Clause (H)(ii)(d) in Appendix III to this circular;
- (e) the expiry of any of the period referred to in Clause (H)(ii)(b), Clause (H)(ii)(c) and Clauses (H)(ii)(e) to (H)(ii)(j) in Appendix III to this circular; and
- (f) subject to Clause (H)(ii)(j) in Appendix III to this circular, the date of the commencement of the winding-up of the Company.

The Exercise Price shall be determined in the sole discretion of the Board or the Administration Committee but shall in no event be less than the higher of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Granting Date, which must be a business day; and
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Granting Date.

LETTER FROM THE BOARD

The Board is of the view that these conditions and rules preserve the value of the Company, give the flexibility to the Board or the Administration Committee which will place the Group in a better position to reward its Employees and retain human resources that are valuable to the growth and development of the Group as a whole, and encourage Participants under the New Share Option Scheme to acquire an ownership interest in the Company, which is in line with the purpose of the New Share Option Scheme.

Ranking of Shares

Shares allotted and issued on the exercise of a Share Option will rank *pari passu* in all respects with the Shares in issue on the date of allotment. The Share Options themselves do not carry voting rights or any rights at a general meeting of the Company, rights to dividends or transfer, or any other rights, including those arising on a liquidation of the Company.

Termination and Duration

Subject to any early termination, the New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme is approved by the Shareholders of the Company. After the termination of the New Share Option Scheme, no further Share Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in all other respects in relation to the Share Options granted prior to the termination of the New Share Option Scheme and exercisable upon or after the termination of the New Share Option Scheme.

Compensation Mechanism

Under the New Share Option Scheme, if the Board considers that the resignation of a relevant Grantee (no matter whether the resignation is due to (i) the Company's termination of the relevant Grantee's employment for cause; (ii) the relevant Grantee's tender of his/her resignation; or (iii) the end of the employment contract without renewal) will significantly and adversely affect the Company's financial, operational or public reputation (including but not limited to the relevant Grantee's (a) inciting other Employees of the Company to resign from the Company or accept employment from other companies or organizations with the same or similar business as that of the Company; (b) revealing the Company's trade secrets to any third party; and (c) spreading false information about the Company), and the relevant Grantee has exercised the Share Options and received the Shares of the Company, then the Company has the right to require the relevant Grantee to compensate the Company for the damages caused by the aforementioned behaviors.

LETTER FROM THE BOARD

5. PROPOSED DECLARATION OF SPECIAL DIVIDEND BY WAY OF DISTRIBUTION IN SPECIE OF HCD SHARES

Basis of entitlement

On 30 April 2024, the Board considered and approved the resolution on the proposed declaration of special dividend by way of distribution in specie of HCD Shares, and further proposed to the Shareholders for consideration the declaration of a special dividend in the form of a distribution of no more than 799,311,000 Distribution HCD Shares to the Shareholders whose names appear on the register of members of the Company on the Record Date, on a pro-rata basis in proportion to their respective shareholdings in the Company on the following basis:

for every 54 Shares held. 10 Distribution HCD Shares

The exact total number of the Distribution HCD Shares to be distributed by the Company is subject to adjustments where necessary in order to give effect to the Distribution in Specie on the basis of 10 Distribution HCD Shares for every 54 Shares held on the Record Date and such other arrangements in relation to Distribution in Specie as set out in this circular.

No fraction of a HCD Share will be distributed. A Qualifying Shareholder holding less than an integral multiple of 54 Shares (for the avoidance of doubt, including a Qualifying Shareholder holding less than 54 Shares) will be entitled to a pro-rata number of Distribution HCD Shares, being rounded down to the nearest whole number of Distribution HCD Shares. The Company will distribute the Distribution HCD Shares to the Qualifying Shareholders free of any payment of consideration. All stamp duties payable on the transfer of Distribution HCD Shares in the Distribution in Specie will be borne by the Company.

Condition precedent

The Distribution in Specie will be conditional upon the passing of an ordinary resolution by the Shareholders at the AGM to approve the payment of special dividend in the form of the Distribution in Specie.

The above condition cannot be waived.

Distribution HCD Shares

As at the Latest Practicable Date, the Company directly held a total of 2,133,230,172 HCD Shares and was entitled to control the exercise of voting rights in respect of 176,600,000 HCD Shares held by Farsighted Wit Limited (representing approximately 5.52% of the total number of issued HCD Shares) at the general meetings of HCD. The Distribution HCD Shares to be distributed represent approximately up to 37.47% of the HCD Shares directly held by the Company and approximately up to 25% of the total number of issued HCD Shares as at the Latest Practicable Date. The HCD Shares are listed on the Main Board of the Stock Exchange (stock code: 9930).

Based on the closing price of HK\$1.70 per HCD Share as traded on the Stock Exchange as at the Latest Practicable Date, the aggregate market value of the Distribution HCD Shares is approximately HK\$1,358,828,700.

LETTER FROM THE BOARD

Record Date and closure of register of members

For determining entitlements to the Distribution in Specie, the register of members of the Company will be closed from Wednesday, 12 June 2024 to Friday, 14 June 2024, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the Distribution in Specie, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 11 June 2024. The last day for trading of Shares on the Stock Exchange with entitlements to the Distribution in Specie is expected to be on Thursday, 6 June 2024.

The Record Date for determining a Shareholder's entitlements to the Distribution in Specie is Friday, 14 June 2024.

Despatch of share certificates and CCASS settlement

No action is required to be taken by the Qualifying Shareholders to receive the share certificates for the Distribution HCD Shares as a result of the Distribution in Specie. It is expected that share certificates for the relevant Distribution HCD Shares will be despatched on or about Friday, 28 June 2024 by ordinary post at the risk of the Qualifying Shareholders to their respective addresses shown on the register of members of the Company on the Record Date. In the case of a joint holding of Shares, the share certificate for the Distribution HCD Shares will be posted to the address of the person whose name stands first on the register of members of the Company in respect of such Distribution HCD Shares on the Record Date. Investors holding Shares through CCASS Participants are expected to receive the Distribution HCD Shares through their respective stockbrokers or custodians or through their CCASS Investor Participant stock accounts following the despatch of share certificates of the Distribution HCD Shares. Such investors should seek the advice of their respective stockbrokers or other professional advisors in case of doubt.

Odd lot matching service for the Distribution HCD Shares

The HCD Shares are traded in 1,000 HCD Shares per board lot on the Stock Exchange. The Company has, at its own costs, appointed Computershare Hong Kong Investor Services Limited to provide matching service for sale and purchase of odd lots of the HCD Shares, on a best effort basis, to those Qualifying Shareholders entitled to the Distribution in Specie who wish to acquire odd lots of the HCD Shares to make up a full board lot, or to dispose of their odd lots of the HCD Shares.

Qualifying Shareholders who wish to take advantage of this service should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong or at telephone number (852) 2862 8555 during office hours from 9:00 a.m. Tuesday, 2 July 2024 to 4:00 p.m. Monday, 22 July 2024. Qualifying Shareholders who would like to match odd lots are recommended to make an

LETTER FROM THE BOARD

appointment in advance by dialling the telephone number of Computershare Hong Kong Investor Services Limited set out above. Qualifying Shareholders should note that successful matching of the sale and purchase of odd lots of the HCD shares is not guaranteed. Qualifying Shareholders who are in doubt about this service are recommended to consult their professional advisors.

Qualifying Shareholders and Non-Qualifying Shareholder(s)

The Distribution in Specie will be available to the Qualifying Shareholders, but will not be extended to any Non-Qualifying Shareholder(s).

Shareholders with registered addresses outside of Hong Kong

Based on the register of members of the Company as at 24 April 2024, there were no Shareholders whose addresses as shown on the register of members of the Company were outside of Hong Kong.

Shareholders with registered addresses outside of Hong Kong on the Record Date should consult their own professional advisors as to whether or not they are permitted to receive the special dividend in the form of Distribution in Specie or if any governmental or other consent is required or other formalities which need to be observed and whether there are any other restrictions in relation to the future sale of any HCD Shares so received.

The Board reserves the right to exclude any Shareholder whose address as shown on the register of members of the Company on the Record Date is located in any overseas jurisdiction from the Distribution in Specie if the Board believes that the Distribution in Specie may be administratively prohibitive or inexpedient or violate any applicable legal and/or regulatory requirements in the relevant jurisdiction. If and when necessary, the Company will separately notify any such Shareholder of the arrangement regarding the Distribution in Specie.

Arrangements for Non-Qualifying Shareholders (if any)

As the Distribution in Specie will not be extended to any Non-Qualifying Shareholders (if any), arrangements will be made for the Distribution HCD Shares which would otherwise have been transferred to such Non-Qualifying Shareholders to be sold in the market as soon as practicable, on or after the date of posting of the share certificates for the Distribution HCD Shares (which date is currently expected to be on or about Friday, 28 June 2024), and the proceeds of sale, after deduction of expenses and duties (other than stamp duties which will be borne by the Company), will be distributed in Hong Kong dollars to the relevant Non-Qualifying Shareholders at their own risk, except that net proceeds less than HK\$100 will be retained for the benefit of the Company.

PRC Stock Connect Investors

According to the “Stock Connect Shareholding Search” available on the Stock Exchange’s website (www.hkexnews.hk), as at 25 April 2024, ChinaClear held 261,234,000 Shares, representing approximately 6.04% of the total issued Shares.

LETTER FROM THE BOARD

The PRC Stock Connect Investors will receive Distribution HCD Shares pursuant to the Distribution in Specie and hold the relevant Distribution HCD Shares received through ChinaClear. Pursuant to the Measures of Shanghai Stock Exchange for the Implementation of Shanghai-Hong Kong Stock Connect Program (上海證券交易所滬港通業務實施辦法) and the Measures of Shenzhen Stock Exchange for the Implementation of Shenzhen-Hong Kong Stock Connect Program (深圳證券交易所深港通業務實施辦法), the PRC Stock Connect Investors (or the relevant ChinaClear participants, as the case may be) whose stock accounts in ChinaClear are credited with Distribution HCD Shares may only sell them and/or buy HCD Shares on the Stock Exchange under the Stock Connect.

PRC Stock Connect Investors should seek advice from their intermediaries (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisors for details of the logistical arrangements as required by ChinaClear.

FINANCIAL EFFECTS OF THE DISTRIBUTION IN SPECIE

Following completion of the Distribution in Specie, the Company is expected to directly hold approximately 1,333,919,172 HCD Shares, representing approximately 41.72% of the total number of issued HCD Shares, and be entitled to control the exercise of voting rights in respect of 176,600,000 HCD Shares held by Farsighted Wit Limited (representing approximately 5.52% of the total number of issued HCD Shares) at the general meetings of HCD. HCD will remain as a subsidiary of the Company and its results will continue to be consolidated in the financial statements of the Company.

It is expected that the Company will not record any gain or loss in its consolidated statement of profit or loss and other comprehensive income in respect of the Distribution in Specie, subject to audit.

REASONS FOR AND BENEFITS OF THE DISTRIBUTION IN SPECIE

The Board is of the view that (i) the Shareholders may benefit from the ability to directly participate in the future development of HCD by obtaining the Distribution HCD Shares pursuant to the Distribution in Specie; (ii) upon completion of the Distribution in Specie, HCD will remain as a subsidiary of the Company and its results will continue to be consolidated in the financial statements of the Company; and (iii) the terms of the Distribution in Specie are fair and reasonable.

Taking into account the above, the Board considers that it is in the interest of the Company and the Shareholders as a whole to undertake the Distribution in Specie.

INFORMATION ON THE COMPANY

The Company together with its subsidiaries is one of China's leading innovative financial companies focusing on the Chinese fundamental industries and leveraging the business model of integrating finance and industry to serve enterprises of greatest vitality with the support of the fast-growing and enormous economy in China. It provides integrated finance, investment, trade, advisory and engineering services in healthcare, culture and tourism, engineering construction, machinery and manufacturing, chemical and medicine, electronic information, public consuming, transportation and logistics, urban public utility as well as other fundamental sectors.

LETTER FROM THE BOARD

INFORMATION ON HCD

HCD is a subsidiary of the Company and incorporated in Cayman Islands with limited liability. HCD, together with its subsidiaries, is one of the leading equipment operation service providers in China, as well as one of the leaders in aerial work platform, neo-excavation support system and neo-formwork system equipment operation service market. It provides comprehensive and multi-dimensional services covering the full cycle of projects.

6. 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 in this circular or this circular misleading.

7. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 48 to 54 of this circular.

Pursuant to the Listing Rules and the Articles of Association, any vote of Shareholders at a general meeting shall be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll results will be published by the Company after the conclusion of the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

In respect of the New Share Option Scheme, the Company will comply with the relevant requirements under Chapter 17 of the Listing Rules, especially where any related matters are required to be approved by the Shareholders or independent non-executive Directors separately. As at the Latest Practicable Date, to the best knowledge of the Directors having made all reasonable enquiries, none of the Shareholders has a material interest in the proposed adoption of the New Share Option Scheme and therefore, no Shareholder is required to abstain from voting on the said resolution.

The Distribution in Specie does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. However, pursuant to article 111 of the articles of association of the Company, the Distribution in Specie is subject to the approval by Shareholders. No Director was required to abstain from voting on the Board resolutions approving the payment of the special dividend by way of the Distribution in Specie. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders are required to abstain from voting on the proposed relevant resolution(s) approving the payment of the special dividend by way of the Distribution in Specie at the AGM.

LETTER FROM THE BOARD

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<http://www.hkexnews.hk>) and the Company (<http://www.fehorizon.com>). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not later than 3:00 p.m. on Monday, 3 June 2024 (Hong Kong time). Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

8. RECOMMENDATION

The Directors consider that the resolutions regarding, inter alia, the proposed re-election of retiring Directors, the proposed granting of the Share Buy-back Mandate and the Issuance Mandate, the adoption of the New Share Option Scheme and the declaration of special dividend by way of distribution in specie of HCD Shares as set out in the notice of the Annual General Meeting are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

Shareholders should note that the Distribution in Specie is subject to the approval by Shareholders of the payment of the special dividend by way of the Distribution in Specie as described in this circular. Shareholders and/or potential investors in the Company should be aware that implementation of the Distribution in Specie may or may not become effective. There is no assurance that the Distribution in Specie will be approved or will materialise. Meanwhile, the Shareholders and prospective investors are advised to exercise caution in dealing in the Shares.

This circular is not, and does not form part of, an offer to sell or solicitation of an offer to purchase or subscribe for any securities of the Company or HCD in Hong Kong or any other jurisdictions, and this circular or any part hereof, shall not form the basis of, or be relied on in connection with, any investment decision relating to any securities of the Company or HCD.

Yours faithfully,

For and on behalf of the Board

Far East Horizon Limited

KONG Fanxing

Chairman, Chief Executive Officer and Executive Director

The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

EXECUTIVE DIRECTORS

(1) Mr. KONG Fanxing

Mr. KONG Fanxing (“**Mr. Kong**”), aged 60, is an executive director, the Chairman and the Chief Executive Officer of the Company.

Mr. Kong received an EMBA degree from Peking University in March 2005, a master’s degree in Economics and a bachelor’s degree in Economics from University of International Business and Economics (對外經濟貿易大學) in China in June 1991 and July 1986, respectively.

Mr. Kong joined Sinochem Group in August 1991. During the period which Mr. Kong worked for Sinochem Group, he had been the general manager of Sinochem International Engineering Trade Company (中化國際工程貿易公司), the deputy general manager of Sinochem International Industrial Company (中化國際實業公司), the deputy general manager, general manager of Sinochem International Tendering Co., Ltd. (中化國際招標有限責任公司), the deputy chief of the fertiliser division of China National Chemicals Import & Export Corporation (中國化工進出口總公司), the executive deputy general manager of Sinochem International Fertilizer Trading Company (中化國際化肥貿易公司), etc., respectively. In April 2001, he joined International Far Eastern Leasing Co., Ltd. (遠東國際融資租賃有限公司) (“Far Eastern”) and has become an executive director and the general manager since then. Mr. Kong has been the President and Chief Executive Officer of the Company since September 2009, and has been the Chairman of the Company since December 2022. Currently, Mr. Kong is also an executive director and the general manager of Far Eastern, a non-executive director and the chairman of the board of directors of Horizon Construction Development Limited (宏信建設發展有限公司) (a company listed on the Stock Exchange, stock code: 9930), the chairman and general manager of Far East Horizon (Tianjin) Financial Leasing Co., Ltd. (遠東宏信(天津)融資租賃有限公司), Far East Horizon Financial Leasing Co., Ltd. (遠東宏信融資租賃有限公司), Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Limited (遠東宏信普惠融資租賃(天津)有限公司) and Far East Horizon Financial Leasing (Guangdong) Co., Ltd. (遠東宏信融資租賃(廣東)有限公司), the executive director and general manager of Shanghai Donghong Industrial Development Co., Ltd. (上海東泓實業發展有限公司), Donghong Investment Co., Ltd. (東泓投資有限公司) and Yuanhong Investment (Guangdong) Co., Ltd. (遠宏投資(廣東)有限公司), an executive director of Far East Horizon Healthcare Industry Development Co., Ltd. (遠東宏信健康產業發展有限公司) and Far East Horizon Industrial Investment (Tianjin) Co., Ltd. (遠東宏信實業投資(天津)有限公司) and a director of Far East Horizon Shipping Holdings Co., Ltd. (遠東宏信航運控股有限公司), etc.

Mr. Kong has over 29 years of experience in enterprise management.

Save as disclosed above, Mr. Kong (1) did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, (2) did not have other major appointments and professional qualifications, (3) is not related to any Directors, senior management, other substantial or controlling shareholder (as defined in the Listing Rules) of the Company, and (4) did not hold any other positions with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Kong had the following interests in Shares/underlying Shares of the Company and its associated corporations pursuant to Part XV of the SFO:

(i) Interests in the Shares/underlying Shares of the Company

	No. of Shares of the Company	Approximate % of the issued share capital of the Company
Mr. Kong	954,124,517	22.11%

(ii) Interests in the shares/underlying shares of associated corporations of the Company

	Name of associated corporation	No. of shares of associated corporation of the Company	Approximate % of the issued share capital of associated corporation
Mr. Kong	HCD	1,346,342	0.04%

Save as disclosed above, Mr. Kong did not have or was not deemed to have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Kong has entered into a service contract with the Company for an initial term of three years with effect from 11 March 2011. The contract has been renewed for 3 years on 11 March 2014, 11 March 2017, 11 March 2020 and 11 March 2023, respectively. Currently Mr. Kong is entitled to receive an annual basic salary of approximately RMB4,673,000 and a discretionary bonus which is determined by the Board with reference to his experience, duties and responsibilities with the Company, and is subject to review by the Board from time to time. Mr. Kong is subject to the relevant retirement and re-election provisions in the Articles of Association.

Save as disclosed above, there is no information which is discloseable nor is Mr. Kong involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Kong that need to be brought to the attention of the Shareholders in relation to his re-election.

(2) Mr. WANG Mingzhe

Mr. WANG Mingzhe (“**Mr. Wang**”), aged 53, is an executive Director and the Chief Financial Officer of the Company.

Mr. Wang obtained a bachelor’s degree in Economics from Hangzhou Institute of Electronic Engineering (杭州電子工業學院) in China in July 1993 and an MBA degree from Northeastern University (東北大學) in China in March 2003. Mr. Wang joined Far Eastern in October 1995 and has worked there since then. In Far Eastern, Mr. Wang served as the manager of the business development department, the deputy general manager of the first business division, the deputy general manager, the general manager and assistant general manager of quality control department and the chief financial officer, etc. In September 2009, Mr. Wang was appointed as the Chief Financial Officer of the Company and he has held the position since then. Currently, Mr. Wang is also the general manager of operation centre of the Company, a director and chief financial officer of Far East Horizon (Tianjin) Financial Leasing Co., Ltd. (遠東宏信(天津)融資租賃有限公司), Far East Horizon Financial Leasing Co., Ltd. (遠東宏信融資租賃有限公司) and Far East Horizon Inclusive Financial Leasing (Tianjin) Co., Limited (遠東宏信普惠融資租賃(天津)有限公司), the chief financial officer of East Horizon Factoring (Tianjin) Co., Limited (遠宏商業保理(天津)有限公司), the executive director and general manager of Tianjin Horizon Asset Management Co. Ltd. (天津宏信資產管理有限公司), the chief financial officer of Shanghai Donghong Co., Ltd. (上海東泓實業發展有限公司) and Donghong Investment Co., Ltd. (東泓投資有限公司), the executive director and general manager of Shanghai Depeng Industrial Co., Ltd. (上海德朋實業有限公司) and a director of Far East Horizon Shipping Holdings Co., Ltd. (遠東宏信航運控股有限公司) and Far East Horizon Financial Leasing (Guangdong) Co., Ltd. (遠東宏信融資租賃(廣東)有限公司), etc.

Mr. Wang has over 28 years of experience in finance management.

Save as disclosed above, Mr. Wang (1) did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, (2) did not have other major appointments and professional qualifications, (3) is not related to any Directors, senior management, other substantial or controlling shareholder (as defined in the Listing Rules) of the Company, and (4) did not hold any other positions with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Wang had the following interests in Shares/underlying Shares of the Company and its associated corporations pursuant to Part XV of the SFO:

(i) Interests in the Shares/underlying Shares of the Company

	No. of Shares of the Company	Approximate % of the issued share capital of the Company
Mr. Wang	33,450,801	0.77%

(ii) Interests in the shares/underlying shares of associated corporations of the Company

	Name of associated corporation	No. of shares of associated corporation of the Company	Approximate % of the issued share capital of associated corporation
Mr. Wang	HCD	488,307	0.02%

Save as disclosed above, Mr. Wang did not have or was not deemed to have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Wang has entered into a service contract with the Company for an initial term of three years with effect from 11 March 2011. The contract has been renewed for 3 years on 11 March 2014, 11 March 2017, 11 March 2020 and 11 March 2023, respectively. Currently Mr. Wang is entitled to receive an annual basic salary of approximately RMB2,737,000 and a discretionary bonus which is determined by the Board with reference to his experience, duties and responsibilities with the Company, and is subject to review by the Board from time to time. Mr. Wang is subject to the relevant retirement and re-election provisions in the Articles of Association.

Save as disclosed above, there is no information which is discloseable nor is Mr. Wang involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Wang that need to be brought to the attention of the Shareholders in relation to his re-election.

NON-EXECUTIVE DIRECTOR

(3) Mr. LIU Haifeng David

Mr. LIU Haifeng David (“**Mr. Liu**”), aged 54, has been a non-executive director of the Company since October 2009.

Mr. Liu is the executive chairman of DCP. Prior to establishing DCP, Mr. Liu was a partner of KKR, the co-head of KKR Asia Private Equity and CEO of KKR Greater China. Prior to joining KKR, Mr. Liu was a managing director and the co-head of Morgan Stanley Private Equity Asia. Mr. Liu has established one of the leading investment track records in Greater China over the past 28 years and was responsible for a number of successful and innovative investments, including: Ping An Group, Mengniu Dairy, Haier Electronics, China International Capital Corp, Far East Horizon, Oriental Yuhong, Dongbao Pharmaceutical, Simple Love Yogurt, Nanfu Battery, COFCO Joycome, Sunner Poultry, Hengan Intl., Belle Intl., Modern Dairy, United Envirotech, and Yuehai Feed. Mr. Liu is an advisory director of the Private Equity Investment Fund Committee of the Asset Management Association of China (AMAC) and the chairman of the China Venture Capital and Private Equity Association (CVCA). Mr. Liu graduated from Columbia University as Class Salutatorian with a B.S. in Electrical Engineering. He is a member of Tau Beta Pi National Engineering Honor Society and a winner of the Edwin Howard Armstrong Memorial Award for the top electrical engineering student at Columbia University. “KKR” as defined in this paragraph means Kohlberg Kravis Roberts & Co. L.P. together with its affiliates.

Save as disclosed above, Mr. Liu (1) did not hold any directorship in other listed public companies in Hong Kong or overseas in the last three years, (2) did not have other major appointments and professional qualifications, (3) is not related to any Directors, senior management, other substantial or controlling shareholder (as defined in the Listing Rules) of the Company, and (4) did not hold any other positions with the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Liu had the following interests in Shares/underlying Shares of the Company and its associated corporations pursuant to Part XV of the SFO:

(i) Interests in the Shares/underlying Shares of the Company

	No. of Shares of the Company	Approximate % of the issued share capital of the Company
Mr. Liu	365,842,100	8.47%

(ii) *Interests in the shares/underlying shares of associated corporations of the Company*

	Name of associated corporation	No. of shares of associated corporation of the Company	Approximate % of the issued share capital of associated corporation
Mr. Liu	HCD	13,549,707	0.42%

Save as disclosed above, Mr. Liu did not have or was not deemed to have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Liu has entered into an appointment letter with the Company under which Mr. Liu agreed to act as non-executive Director for a term of three years commencing from 11 March 2023. Under the appointment letter, the Company shall pay HK\$420,000 as Director's fee to Mr. Liu every year. Mr. Liu is subject to the relevant retirement and re-election provisions in the Articles of Association.

Save as disclosed above, there is no information which is discloseable nor is Mr. Liu involved in any of the matters required to be disclosed pursuant to any of the requirements under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Liu that need to be brought to the attention of the Shareholders in relation to his re-election.

The following is an explanatory statement required by the Listing Rules to provide the Shareholders with requisite information reasonably necessary for them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Share Buy-back Mandate. It also constitutes the memorandum under section 239(2) of the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (the “**Companies Ordinance**”).

1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,315,135,866 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Share Buy-back Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, i.e. 4,315,135,866 Shares, the Directors would be authorized under the Share Buy-back Mandate to buy back, during the period in which the Share Buy-back Mandate remains in force, a total of 431,513,586 Shares, representing 10% of the total number of Shares in issue as at the date of the Annual General Meeting.

2. REASONS FOR BUY-BACKS

The Directors believe that the granting of the Share Buy-back Mandate is in the best interests of the Company and the Shareholders.

Buy-backs may, depending on the 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 when the Directors believe that such a buy-back will benefit the Company and the Shareholders.

3. FUNDING OF BUY-BACKS

In buying back Shares, the Company may only apply funds legally available for such purpose in accordance with its Articles of Association, the laws of Hong Kong and/or any other applicable laws, as the case may be. The Companies Ordinance provides that the amount of capital repaid in connection with a Share buy-back may only be paid out of the distribution profits of the Company and/or the proceeds of a new issue of Shares made for the purpose of the buy-back to such extent allowable under the Companies Ordinance.

4. IMPACT OF BUY-BACKS

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2023) in the event that the Share Buy-back Mandate was to be carried out in full at any time during the proposed buy-back period. However, the Directors do not intend to exercise the Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during the period each of the previous 12 months up to and including the Latest Practicable Date were as follows:

Month	Highest HK\$	Lowest HK\$
2023		
April	7.25	6.78
May	7.38	6.45
June	6.83	5.61
July	6.23	5.43
August	5.85	4.96
September	5.95	5.28
October	5.93	5.28
November	6.12	5.48
December	6.41	5.67
2024		
January	6.36	5.47
February	6.30	5.60
March	6.36	5.79
April (<i>up to the Latest Practicable Date</i>)	6.00	5.45

6. GENERAL

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Share Buy-back Mandate is approved by the Shareholders.

The Directors will exercise the power of the Company to buy back Shares pursuant to the Share Buy-back Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong. Neither the explanatory statement nor the proposed share buy-back has any unusual features.

7. TAKEOVERS CODE

If as a result of a buy-back of Shares pursuant to the Share Buy-back Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

To the best knowledge of the Company, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of an exercise of the proposed Share Buyback Mandate.

8. BUY-BACK OF SHARES MADE BY THE COMPANY

During the six months prior to the Latest Practicable Date, the Company has bought back a total of 1,800,000 Shares on the Stock Exchange and the details are set out below.

Date of buy-back	No. of Shares	Price Per Share	
		Highest	Lowest
		<i>HK\$</i>	<i>HK\$</i>
30 October 2023	600,000	5.59	5.50
6 November 2023	600,000	5.63	5.63
8 November 2023	600,000	5.61	5.60

The following is a summary of the principal terms of the New Share Option Scheme to be adopted by the written resolution of the Shareholders at the Annual General Meeting. The terms of the New Share Option Scheme comply with the provisions of Chapter 17 of the Listing Rules.

(A) PURPOSE OF THE NEW SHARE OPTION SCHEME

The purpose of the New Share Option Scheme is to reward the Participants for their contribution to the Group and to encourage the Participants to continue their efforts towards enhancing the value of the Company and its Shares in the interests of the Company and all its Shareholders.

(B) MANAGEMENT OF THE NEW SHARE OPTION SCHEME

The Board is responsible for the interpretation of the New Share Option Scheme. The decisions of the Board shall be final and binding on the parties in respect of all matters relating to the New Share Option Scheme or its interpretation or effect. The Administration Committee is responsible for the day-to-day management and administration of the New Share Option Scheme.

(C) TERMINATION AND DURATION

- (i) The Company by ordinary resolution in general meeting or the Board may at any time terminate the New Share Option Scheme; in such event, no further Share Options may be granted but the provisions of the New Share Option Scheme shall in all other respects remain in full force and effect in relation to Share Options which are granted during the term of the New Share Option Scheme and remain unexercised prior to the termination of the New Share Option Scheme.
- (ii) Subject to any early termination, the New Share Option Scheme will remain in force for a period of 10 years commencing on the Adoption Date.

(D) PARTICIPANTS OF THE NEW SHARE OPTION SCHEME AND THE BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS

Participants of the New Share Option Scheme include Employee Participants who meet the conditions of participation as set out in the Listing Rules and the New Share Option Scheme, specifically, include the senior management, middle management and other key Employees of the Company or any subsidiary of the Company who meet the conditions of participation as set out in the Listing Rules and the New Share Option Scheme. In determining the basis of eligibility of Employee Participants, their employment status with the Group, such as for how long they have been an Employee, the managerial or key positions held and the corresponding functions assumed, individual expertise, skills or experience, contribution to the operation and management of the Group, and such other factors as may be deemed appropriate by the Board or the Administration Committee in its sole discretion will be taken in consideration.

(E) GRANT OF SHARE OPTIONS

- (i) Pursuant to the New Share Option Scheme Rules, the Board or the Administration Committee may, from time to time, in their respective absolute discretion, select the Grantees and determine the number of Share Options to be granted in accordance with the New Share Option Scheme Rules after taking into account a number of factors which they consider appropriate for the Grant of Share Options under the New Share Option Scheme. The terms on which Share Options are granted may be determined by the Board or the Administration Committee in their respective absolute discretion.

- (ii) The Board or the Administration Committee may, in its sole discretion, when offering Share Options, may impose any conditions, restrictions or limitations in relation thereto in addition to the New Share Option Scheme Rules as it may deem appropriate (as set out in the letter containing the Grant of the Offer of the Share Options), including the performance, operating or financial targets to be achieved by the Company, the Company's subsidiary(ies) and/or the Grantee, certain conditions or obligations or performance targets to be met or satisfactorily performed by the Grantee who is granted the Share Options (including, as the case may be, his/her expertise, skills or experience, contribution to the Group, performance and synergies at work, achievement of performance targets or annual appraisal results, key performance indicators of respective department(s) that the Grantee belongs), and the vesting time for the Grantee to exercise all or part of his/her Share Options, provided that the terms and conditions shall not be inconsistent with any other terms of the New Share Option Scheme.

The Board or the Administration Committee will conduct assessment by comparing the actual performance, operating or financial results of the Company, the Company's subsidiary(ies) and the actual performance of the Grantee with the pre-determined targets or individual performance indicators to determine whether or to what extent the performance targets have been met. Such pre-determined targets or individual performance indicators may be set by the Board or the Administration Committee on a case by case basis with reference to factors including the specific position and role of the relevant Grantee, and the overall business plan, strategy and the expected financial performance of the Group in the relevant period. The performance target will be deemed to be met when the actual level achieved reaches or exceeds the level of the pre-determined targets or individual performance indicators.

- (iii) Any Grant of Share Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the New Share Option Scheme shall be subject to prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of the Share Options in question). Where any Grant of Share Options to a substantial shareholder or an independent non-executive Director of the Company, or any of his/her respective associates, would result in the Shares issued and to be issued in respect of all share options and awards granted (excluding any options and awards lapsed in accordance with the terms of the scheme) to such person in the 12-month period up to and including the Granting Date representing in aggregate over 0.1% of the Shares in issue, such further Grant of Share Options shall be subject to prior approval of the Shareholders of the Company, and the Grantee, his/her associates and all core connected persons of the Company shall abstain from voting and a circular shall be despatched to the Shareholders under the Listing Rules.
- (iv) A circular to be sent to the Shareholders under Clause (iii) above shall contain the following information:
- (a) details of the number and terms of the Share Options to be granted to each Participant, which must be fixed before the general meeting. The date of the Board meeting for proposing such further Grant shall be regarded as the Granting Date for the purpose of fixing the Exercise Price of the Share Options;
 - (b) the views of the independent non-executive Directors (excluding any independent non-executive director who is the proposed Grantee of the Share Options in question) as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
 - (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
 - (d) the information required to be disclosed under Rule 2.17 of the Listing Rules.
- (v) The Company may not grant any Share Options after inside information has come to its knowledge until (and including) the trading day after the inside information is announced. In particular, it may not grant any Share Options during the period commencing one month immediately before the earlier of:
- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange by the Company 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
 - (b) the deadline for the Company 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),

and ending on the date of the results announcement of the Company. For the avoidance of ambiguity, no Share Option may be granted during any period of delay in publishing a results announcement, if any.

- (vi) The Participant to whom a Share Option has been granted shall decide whether or not to accept the Offer of the Share Option within 14 days after the Granting Date, except in the case of the expiry of the New Share Option Scheme. If the Company receives from such Participant within the Acceptance Date a duly signed Share Option Offer letter specifying the number of Shares in respect of offered Share Option accepted by the Participant and at the same time receives from such Participant a remittance of the consideration for the Grant of the Share Option of HK\$1.00 (nominal only) to the Company, the Share Option in respect of the Share Option Offer letter is deemed to have been granted and to have become effective. The said remittance is not refundable under any circumstances.

(F) EXERCISE PRICE

The Exercise Price shall be determined in the sole discretion of the Board or the Administration Committee but shall in no event be less than the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Granting Date, which must be a business day; and
- (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Granting Date.

(G) VESTING OF SHARE OPTIONS

- (i) The Share Options will be vested according to the following vesting schedule:

Vesting date	Number of Share Options to be vested
The date of the first anniversary of the Granting Date	One-third of the Share Options (the number of Shares rounded to the nearest whole number)
The date of the second anniversary of the Granting Date	One-third of the Share Options (the number of Shares rounded to the nearest whole number)
The date of the third anniversary of the Granting Date	The remaining of the Share Options (the number of Shares rounded to the nearest whole number)

The Board or the Administration Committee has the right to adjust the vesting period arrangement as described in this clause, provided that the vesting period will not be shorter than 12 months and the requirements relating to the vesting period as set out in Rule 17.03F of the Listing Rules and the relevant guidelines are met.

Vesting conditions

- (ii) The vesting of Share Options granted under the New Share Option Scheme is subject to the achievement of the Company's performance targets for the previous year (based on the budget targets approved by the Board for the previous year, including net profit growth rate, EPS growth rate, ROE, etc.).
- (iii) The vesting of Share Options is subject to the participant remaining at all times after the Granting Date and on the vesting date (as the case may be, on each relevant vesting date) a Participant of the Company or any subsidiary of the Company. For the avoidance of ambiguity, in the event of a participant ceasing to be a Participant by reason of death, all Share Options granted but not vested shall be deemed to be lapsed immediately on the date of his/her death.
- (iv) The corresponding granted but not vested Share Options may be vested and shall lapse immediately on the vesting date if the following situations happen to the Grantee:
 - (a) employment has been terminated by the Company or any subsidiary of the Company for cause. For purposes of this paragraph and all other provisions of the New Share Option Scheme, if any, relating to termination of employment for cause, cause means:
 - (1) dishonest conduct or gross misconduct, whether or not in connection with his/her employment; failure to observe or comply with his/her employment, agency or consultancy contract or non-competition clause with the Company or any subsidiary of the Company or any legitimate orders or instructions given by the Company or any subsidiary of the Company as the case may be;
 - (2) incompetence or negligence in the performance of his/her duties in the conclusive opinion of the Company or any subsidiary of the Company;
 - (3) any act in the conclusive opinion of the Company or any subsidiary of the Company adversely affecting his/her ability to perform his/her duties properly or causing damage to the Company or the Group;
 - (4) leaking the trade secrets or confidential information of the Company or any subsidiary of the Company; or

- (5) the occurrence of other circumstances under which the Company or any subsidiary of the Company, in its sole discretion, deems appropriate for termination of employment;

- (b) has been dismissed immediately by the Company or any subsidiary of the Company or tendered his/her resignation, has not renewed his/her employment contract upon expiry, and has terminated his/her employment contract by mutual agreement prior to its expiry or due to his/her retirement;

- (c) has been convicted for any criminal offence involving his/her integrity or honesty;

- (d) has become bankrupt or failed to pay his/her debts within a reasonable time after they become due or has made any arrangement or composition with his/her creditors generally; or

- (e) has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws, regulations or rules in force from time to time.

- (v) The Company has the sole discretion to determine the adjustment to the number of the Share Options to be vested in the future in relation to his/her Share Options granted but not vested if a Grantee, including but not limited to reduction or reduction to nil:
 - (a) has achieved grade C or below in the performance appraisal for the previous year;

 - (b) is reduced in rank within the Group for cause;

 - (c) is subject to internal punishment by the Group for cause; or

 - (d) there are other circumstances in which the Company, in its sole discretion, finds it necessary to consider whether or not to make adjustments to the number of Shares in respect of the Share Options granted.

In the event of any of the circumstances set out in this clause, the Company will notify the Grantee of its decision on whether or not to make any adjustment in writing as soon as possible prior to the vesting date of the Share Options of which a portion is affected. If the Company makes a decision on any adjustment, including but not limited to reduction or reduction to nil, the relevant Grantee shall not make any claim or assert any right or interest against the Company.

- (vi) For the avoidance of doubt, in the event that a Grantee ceases to be qualified as a Participant by reason of (a) redundancy, severance, dismissal or tendering resignation, and other circumstances of termination of employment; (b) the company by which such participant is employed or contracted with, ceasing to be a subsidiary of the Company; (c) the circumstances under Clause (iii) and Clause (iv) above; and (d) other circumstances under which the Board or the Administration Committee in its sole discretion determines that the Grantee ceases to be qualified as a Participant; then such person will cease to be eligible to accept Share Options as a Participant for the purposes of the New Share Option Scheme. The granted Share Options shall automatically lapse forthwith and all the Share Options granted but not vested shall not be vested on the vesting date. No person shall make any claim or assert any right or interest against the Company.
- (vii) For the avoidance of doubt, in the event that a Grantee holds a position in an investee company as arranged by the Company or any subsidiary of the Company but still remains in office within the Group, he/she is treated as an employee of the Group and is still qualified as a Participant. If the Grantee ceases to hold a position in the Company or any subsidiary of the Company, he/she shall be dealt with in accordance with Clause (vi) above.
- (viii) Notwithstanding any other provisions of the New Share Option Scheme (but subject to any applicable laws), the Board or the Administration Committee has the sole discretion to waive or modify the vesting conditions and the related provisions, including but not limited to the sole discretion of the Board or the Administration Committee to determine that the relevant Share Options shall continue to be vested even if the relevant person ceases to be qualified as a Participant after having been granted under the New Share Option Scheme. For the avoidance of doubt, the foregoing shall not constitute any obligation or commitment on the part of the Board or the Administration Committee and vesting shall in any event be subject to full compliance with the applicable requirements of the applicable laws and the Listing Rules.

(H) EXERCISE OF SHARE OPTIONS

- (i) The Share Options granted under the New Share Option Scheme shall belong to the respective Grantees and shall not be alienated or transferred, and no Grantee shall enter into any agreement with any other person to sell, assign, pledge, charge or encumber any interest in the Share Options, transfer the right to income or create any interest in any way for the benefit of any other person or have any agreement or arrangement in respect of the foregoing in favour of any person. In the event that the Grantee violates the above provisions (whether voluntarily or involuntarily), the relevant Share Options will lapse immediately, for which the Company shall not be held liable.
- (ii) Subject to the following provisions, a Grantee (for the purposes of item (b) of this clause, his/her successor or legal representative) may exercise a Share Option during the Share Option Period:

- (a) If the Share Option Offer letter issued by the Company to a Participant who has been granted a Share Option clearly sets out the requirements and conditions for the vesting period, the Grantee must not exercise the Share Option until the relevant Share Option is vested;
- (b) If the Grantee passes away or becomes permanently disabled before the exercise of the vested Share Options (or before fully exercising the Share Options), the Grantee (or his/her successor or legal representative) may exercise his/her vested but unexercised Share Options within the scope of his/her entitlements in respect of the Share Options within 90 days after his/her death or permanent disabilities, or such longer period as the Board or the Administration Committee may determine;
- (c) If the Grantee retires according to the retirement scheme applicable to the Group at the relevant time and ceases to serve in the Group, and accordingly ceases to be qualified as a Participant, his/her vested but unexercised Share Options will remain exercisable before expiry of the Share Option Period;
- (d) If the Grantee ceases to be qualified as a Participant due to his/her resignation, nonrenewal of his/her employment contract upon its expiry, termination of his/her employment contract by mutual agreement prior to its expiry, or termination of his/her employment for cause or other circumstances as set out in Clause (vi) to Paragraph (G) above, his/her vested but unexercised Share Options will lapse on the date on which the resignation notice is served (in case of resignation), or on the date on which the Board decides to terminate his/her employment (in case of termination of employment for cause) or on the date on which any circumstance as set out in Clause (vi) to Paragraph (G) above (in case of other circumstances as set out in Clause (vi) to Paragraph (G) above) occurs;
- (e) If the Grantee ceases to be qualified as a Participant for various reasons (including when the company by which he/she is employed ceases to be a member of the Group) other than death, permanent disabilities, retirement according to the retirement scheme applicable to the Group at the relevant time, cessation of employment by a member of the Group due to his/her resignation, non-renewal of his/her employment contract upon its expiry, termination of his/her employment contract by mutual agreement prior to its expiry, or termination of his/her employment for cause, the vested but unexercised Share Options of the Grantee must be exercised within 90 days after the occurrence of any event disqualifying the Grantee as a Participant, unless otherwise determined by the Board or the Administration Committee;

(f) If:

- (1) the Board or the Administration Committee determines that the Grantee ceases to be qualified as a Participant in its sole discretion at any time;
or
- (2) the Grantee fails or ceases to meet or comply with the standards or terms incidental to or upon which the Share Options were offered,

unless otherwise determined by the Board or the Administration Committee, the vested but unexercised Share Options of the Grantee will lapse and not be exercisable on the date on which the Grantee is notified thereof (in case of Clause (1) above), or on the date on which the Grantee fails or ceases to meet or comply with the relevant standards or terms (in case of Clause (2) above). As otherwise determined by the Board or the Administration Committee, including but not limited to the sole discretion of the Board or the Administration Committee to determine that the relevant Share Options shall continue to be vested even if the relevant person ceases to be qualified as a Participant after having been granted under the Scheme, the vested but unexercised Share Options of the Grantee shall be exercisable within a period following the issuance of such notice or the date on which the Grantee fails or ceases to meet or comply with the relevant standards or terms as determined by the Board or the Administration Committee in its sole discretion. For the avoidance of doubt, the foregoing term that the Board or the Administration Committee has the sole discretion to determine shall not constitute any obligation or commitment on the part of the Board or the Administration Committee and vesting shall in any event be subject to full compliance with the applicable requirements of the applicable laws and the Listing Rules. In case of Clause (1) above, the decision of the Board or the Administration Committee which determines the lapse of the Share Options of the Grantee in accordance with Clause (f) herein shall be final and conclusive;

(g) If the Grantee:

- (1) has been convicted of any criminal offence involving his/her integrity and has been found guilty; or
- (2) has breached any contract entered into between the Grantee or his/her associates and any member of the Group,

unless otherwise determined by the Board or the Administration Committee, the vested but unexercised Share Options of the Grantee will lapse and not be exercisable on the date of criminal conviction or breach of contract by the Grantee as mentioned above. As otherwise determined by the Board or the

Administration Committee, the vested but unexercised Share Options of the Grantee shall be exercisable within a period following the occurrence of the aforesaid events as determined by the Board or the Administration Committee in its sole discretion. The decision of the Board or the Administration Committee which determines lapse of the Share Options of the Grantee due to the breach of contract as mentioned above in accordance with Clause (g) herein shall be final and conclusive;

- (h) If the Board or the Administration Committee becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror or any person associated with or acting in concert with the offeror as a result of any general offer made to the holders of Shares (“**General Offer**”), the Board or the Administration Committee will notify each Grantee thereof as soon as possible after becoming so aware. On the earlier of (1) the date on which the Board or the Administration Committee notify the Grantee as mentioned above; and (2) the date on which the person making the offer obtains control of the Company, each Grantee will be entitled to exercise his/her Share Options (to the extent already vested, but not exercised) within ten business days starting on the later of the abovementioned dates. All Share Options not exercised before the expiry of such period will lapse;
- (i) In the event of a proposed scheme of debt settlement agreement or arrangement by the Company and its Shareholders or creditors for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, the Company shall give notice to each Grantee on the same date as it gives notice of the meeting to all its Shareholders or creditors to consider such a settlement agreement or arrangement. Each Grantee may at any time thereafter, but before such time as shall be notified by the Company, exercise his/her Share Options (to the extent already vested, but not exercised), and subject to the Company receiving the notice of exercise and the Total Subscription Payment, the Company shall allot, issue and register under the name of the relevant Share Option holder such number of fully paid Shares which fall to be issued on exercise of such Share Options as soon as possible and in any event no later than the last business day immediately prior to the date of the proposed general meeting. Any Share Option not exercised within the notice period of the Company will lapse;

- (j) If a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving the voluntary winding-up of the Company, the Company shall on the same date give notice thereof to all Grantees. Each Grantee may at any time thereafter, but before such time as shall be notified by the Company, exercise his/her Share Options (to the extent already vested, but not exercised) by notifying the Company in writing and remit the total subscription payment for the relevant Shares, and the Company shall allot the relevant Shares to the Grantees credited as fully paid as soon as possible and in any event no later than the last business day immediately prior to the date of such proposed general meeting. Any Share Option not exercised within the notice period of the Company will lapse.
- (iii) Shares issued on the exercise of the Share Options are subject to the Articles of the Company, and will rank pari passu in all respects with the fully paid Shares in issue on the date of issuance.
- (iv) The Share Options themselves do not carry voting rights or any rights at a general meeting of the Company, rights to dividends or transfer, or any other rights, including those arising on a liquidation of the Company.

(I) LAPSE OF SHARE OPTIONS

A Share Option will lapse automatically and not be exercisable (to the extent not exercised) on the earliest of:

- (i) the expiry of the Share Option Period (which shall end no later than ten years after the Granting Date);
- (ii) the dates relating to no vesting referred to in paragraph (G) above;
- (iii) the date on which a Grantee violates Clause (H)(i) above;
- (iv) the dates relating to no exercise referred to in Clause (H)(ii)(a) and Clause (H)(ii)(d) above;
- (v) the expiry of any of the period referred to in Clause (H)(ii)(b), Clause (H)(ii)(c) and Clauses (H)(ii)(e) to (H)(ii)(j) above; and
- (vi) subject to Clause (H)(ii)(j) above, the date of the commencement of the winding-up of the Company.

The Company is not required to make any compensation due to the lapse of a Share Option, but the Board or the Administration Committee may pay compensation to a Grantee in such manner as it may deem appropriate in its sole discretion on a case-by-case basis.

(J) CANCELLATION OF SHARE OPTIONS

Subject to the consent from a Share Option holder, the Board or the Administration Committee may cancel the Share Options in whole or in part (which has been vested but unexercised) from the date specified in writing to the Grantee (the “**Cancellation Date**”), for the following reasons:

- (i) the Company pays to the Share Option holder an amount equal to the fair market value of the Share Options on the Cancellation Date as determined by the Board or the Administration Committee in its sole discretion after consultation with the Auditors or an independent financial advisor appointed by the Company;
- (ii) the Board or the Administration Committee offers to grant other replacement share options (or share options under any other share option scheme) to the Share Option holder or makes such arrangements as the Share Option holder may agree to compensate him/her for the loss of the Share Options; or
- (iii) the Board or the Administration Committee makes other arrangements as the Share Option holder may agree to compensate him/her for the cancellation of the Share Option.

For the avoidance of doubt, if a new Grant of the Share Options is made to the same Grantee upon cancellation, the Company may only issue Shares on the exercise of the new Share Options within the Scheme Mandate Limit approved by the Shareholders as stipulated in Clause (K)(i) below, and the cancelled Share Options will be regarded as utilised.

(K) MAXIMUM NUMBER OF SHARES TO BE ISSUED

- (i) The number of Shares to be issued in respect of which Share Options may be granted under the New Share Option Scheme shall not exceed 4% of the Company’s total issued Shares as at the date of approval of the New Share Option Scheme at the general meeting (the “**Scheme Mandate Limit**”), which is 172,605,434 Shares, assuming there is no change to the Company’s total issued shares from the Latest Practicable Date to the date of convening the AGM approving the New Share Option Scheme, provided that:
 - (a) the Company may convene a general meeting to seek approval from the Shareholders to refresh the Scheme Mandate Limit, provided that such meeting shall be convened at least 3 years after the date of approval and adoption or refreshment of the scheme by Shareholders at the general meeting. If the Company intends to make any refreshment within any 3-year period, save for the circumstances as stipulated under Rule 17.03C(1)(c) of the Listing Rules, it shall seek for Shareholders’ approval and meet the following requirements: (1) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive and their respective associates) shall abstain from voting; (2) the Company shall comply with relevant requirements on general meeting under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules;

- (b) the total number of Shares to be issued in respect of all share options and awards granted under all schemes of the Company upon the refreshment of the Scheme Mandate Limit shall not exceed 10% of the issued Shares of the Company as at the date of approval of the refreshment of the Scheme Mandate Limit. The Company shall deliver to the Shareholders a circular containing data and details as required by the Listing Rules (including the number of share options and share awards granted under the Scheme Mandate Limit prior to the refreshment and the reasons for the refreshment); and

- (c) the Company may convene another general meeting to seek approval from the Shareholders to grant Share Options which would exceed the Scheme Mandate Limit, provided that the Share Options exceeding the limit can only be granted to specific Participant as selected prior to Shareholders' approval. The Company shall deliver to the Shareholders a circular containing data and details as required by the Listing Rules (including the name of each designated Participant to be granted with such Share Options, the number of Share Options and terms for Grant of Share Options to each Participant, the purposes of granting Share Options to designated Participants and the explanation on how the terms of the Share Options can achieve such purposes). The number of the Share Options to be granted and the terms of the Grant of Share Options to such Participant must be fixed before the Shareholders' approval, and the date of the Board meeting approving such further Grant shall be taken as the Granting Date for the purpose of determining the Exercise Price of the Share Options.

For the avoidance of doubt, lapsed Share Options shall not be counted as exercised Share Options when determining the Scheme Mandate Limit. If the Company conducts a share consolidation or sub-division after the approval of the Scheme Mandate Limit at general meeting, the maximum number of Shares to be issued under all share options and awards to be granted under the Scheme Mandate Limit of all schemes of the Company (including the New Share Option Scheme and any other share schemes) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or sub-division (rounded to the nearest whole share) must be the same.

For the avoidance of doubt, in any event, the total number of Shares which may be issued in respect of all share options and awards to be granted under the New Share Option Scheme and any other schemes will not exceed 10% of the Company's total issued Shares as at the date of approval and adoption of the New Share Option Scheme by the Shareholders.

- (ii) The maximum number of Shares which are issued and to be issued upon exercise of Share Options (including exercised and unexercised Share Options) by any Participant within any 12-month period must not exceed 1% of the issued Shares from time to time (the “**Individual Limit**”). In the event that any further Share Options will be granted to such Participant, which will result in the total number of Shares issued and to be issued under all share options and awards granted to him/her (excluding the lapsed options and awards under the terms of the scheme) within the 12-month period up to and inclusive of the date of such further Grant in excess of 1% of the issued Shares, such Grant would be approved by the Shareholders of the Company in general meetings, and such Participant and his/her close associates (or his/her associates if the Participant is a connected person) shall abstain from voting. The Company shall deliver to the Shareholders a circular containing the identity of the Participant, the number and terms of the Share Options to be granted (and Share Options granted to such Participant during the aforementioned 12-month period), the purposes for the Grant of Share Options to such Participant and how the terms of the Grant of Share Options meet with relevant purposes. The number of the Share Options to be granted and the terms of the Grant of the Share Options to such Participant must be fixed before the Shareholders’ approval, and the date of the Board meeting approving such further Grant shall be taken as the Granting Date for the purpose of determining the Exercise Price of the Share Options.
- (iii) If adjustment is required on the limit as stated in Clause (i) to Clause (ii) above as a result of the capital reconstruction (capitalization issue, right issue, share sub-division or consolidation of Shares or reduction of capital of the Company) by the Company pursuant to paragraph (L) below, the Auditors or independent financial advisors must make written confirmation to the Board confirming that such adjustment is made on a fair and reasonable basis, provided that such limit shall not exceed the limited as stipulated under the Listing Rules.

(L) CAPITAL RECONSTRUCTION

- (i) If there is any change in Share structure of the Company (capitalization issue, right issue, share sub-division or consolidation of Shares or reduction of capital of the Company) with Share Options to be exercised at the moment, the Board or the Administration Committee may adjust the following items in its discretion:
- (a) the number of Shares corresponding to unexercised Share Options; and/or
- (b) the Exercise Price of unexercised Share Options.

For the avoidance of doubt, such adjustment shall be conducted in accordance with Chapter 17 of the Listing Rules and any supplemental interpretation and guidance (including frequently asked questions) issued by the Stock Exchange from time to time.

- (ii) If the Board or the Administration Committee is of the view that relevant adjustment is appropriate (except for adjustment arising from capitalization), the Auditors or independent financial advisors appointed by the Company shall make written confirmation to the Board or the Administration Committee confirming they are of the view that such adjustment is fair and reasonable, provided that:
 - (a) such adjustment is made on the basis that the total subscription payment payable by the Grantee when fully exercising any Share Option shall be close to but not higher than the previous subscription payment payable where feasible;
 - (b) the adjustment made shall not result in any increase in the proportion of Shares available for subscription by any Share Option holder if he/she exercise his/her respective Share Options prior to the adjustment in the issued Shares of the Company; and
 - (c) such adjustment shall be conducted in accordance with Chapter 17 of the Listing Rules and any supplemental interpretation and guidance (including frequently asked questions) issued by the Stock Exchange from time to time;

The Auditors or independent advisors as referred in paragraph (L) are acting in the capacity of an expert instead of an arbitrator, and their certification shall be conclusive and binding on the Company and the Grantee in the absence of manifest error. Fees of the Auditors or independent financial advisors shall be borne by the Company.

(M) ALTERATION OF THE NEW SHARE OPTION SCHEME

- (i) The following alterations to the New Share Option Scheme are subject to Shareholders' approval by way of ordinary resolution at a general meeting:
 - (a) alterations to the terms and conditions of the New Share Option Scheme which are of a material nature;
 - (b) alterations to the provisions of the New Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants; and
 - (c) alterations to be made pursuant to the clause in relation to alteration of the New Share Option Scheme, especially for those involve the power of the Board or the Administration Committee to alter the terms under the New Share Option Scheme;

- (ii) Any change to the terms of Share Options granted to a Participant must be approved by the Board, the Administration Committee, the independent non-executive Directors or the Shareholders (as the case may be) if the initial Grant of the Share Options was approved by the Board, the Administration Committee, the independent non-executive Directors or the Shareholders (as the case may be). Any alterations to the terms and provisions of Share Options granted to any Participant including a Director, chief executive or substantial shareholder of the Company or their respective associates must be subject to Shareholders' approval if the initial Grant of the related Share Options was subject to Shareholders' approval. This clause shall not apply where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (iii) The above amended terms of the New Share Option Scheme must comply with Chapter 17 of the Listing Rules.
- (iv) Subject to the fulfilment of Clause (i) and Clause (ii) above, the terms under the New Share Option Scheme can be amended by a Board resolution. For other matters that are out of the scope of Clause (i) and Clause (ii) above, the Board is entitled to make alteration.

(N) COMPENSATION MECHANISM

Under the New Share Option Scheme, if the Board considers that the resignation of a relevant Grantee (no matter whether the resignation is due to (i) the Company's termination of the relevant Grantee's employment for cause; (ii) the relevant Grantee's tender of his/her resignation; or (iii) the end of the employment contract without renewal) will significantly and adversely affect the Company's financial, operational or public reputation (including but not limited to the relevant Grantee's (a) inciting other Employees of the Company to resign from the Company or accept employment from other companies or organizations with the same or similar business as that of the Company; (b) revealing the Company's trade secrets to any third party; and (c) spreading false information about the Company), and the relevant Grantee has exercised the Share Options and received the Shares of the Company, then the Company has the right to require the relevant Grantee to compensate the Company for the damages caused by the aforementioned behaviors.

(O) CONDITION PRECEDENT OF THE NEW SHARE OPTION SCHEME

In addition to obtaining the approval of the Shareholders of the Company for the New Share Option Scheme to become effective, it is also conditional upon the approval of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Share Options (subject to the Scheme Mandate Limit) under the New Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



遠東宏信有限公司 FAR EAST HORIZON LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock code: 3360)

Notice is hereby given that an annual general meeting (the “AGM”) of Far East Horizon Limited (the “Company”) will be held at 3:00 p.m. on Wednesday, 5 June 2024 at Emerald I&II, Level 8, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong for the following purposes:

1. To receive the audited consolidated financial statements and the reports of the directors and auditors for the year ended 31 December 2023.
2. To declare a final dividend of HK\$0.50 per share for the year ended 31 December 2023.
3.
 - (a) To re-elect Mr. KONG Fanxing as an executive director of the Company.
 - (b) To re-elect Mr. WANG Mingzhe as an executive director of the Company.
 - (c) To re-elect Mr. LIU Haifeng David as a non-executive director of the Company.
 - (d) To authorize the board of directors to fix the remuneration of the directors of the Company.
4. To re-appoint Ernst & Young as auditors and to authorize the board of directors to fix their remuneration.

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

ORDINARY RESOLUTIONS

5. “**THAT:**
 - (a) subject to paragraph (b) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company to exercise during the Relevant Period (as defined below) all the powers of the Company to buy back its shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares of the Company may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange under the Code on Share Buy-backs, and subject to and in accordance with all applicable laws, rules and regulations;

NOTICE OF ANNUAL GENERAL MEETING

(b) the total number of shares of the Company to be bought back pursuant to the mandate in paragraph (a) above during the Relevant Period shall not exceed 10% of the total number of issued shares in the share capital of the Company as at the date of passing of this resolution, subject to adjustments according to any subsequent consolidation or subdivision of shares, and the said mandate shall be limited accordingly; and

(c) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.”

6. **“THAT:**

(a) subject to paragraph (c) below, a general mandate be and is hereby generally and unconditionally given to the directors of the Company during the Relevant Period (as defined below) to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options and other rights, or issue warrants and other securities including bonds, debentures and notes convertible into share of the Company, which would or might require the exercise of such powers;

(b) the mandate in paragraph (a) above shall authorize the directors of the Company to make or grant offers, agreements and options and other rights, or issue warrants and other securities during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of shares allotted or to be allotted or agreed conditionally or unconditionally to be allotted by the directors pursuant to the mandate in paragraph (a) above, otherwise than pursuant to:

- (i) a Rights Issue (as defined below);
- (ii) the exercise of options under a share option scheme of the Company or similar arrangement for the time being adopted for the grant or issue to option holders of share in the Company; or

NOTICE OF ANNUAL GENERAL MEETING

- (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; or
- (iv) any adjustment, after the date of grant or issue of any options, rights to subscribe for or other securities referred to above, in the price at which shares in the capital of the Company shall be subscribed for, and/or in the number of shares in the Company which shall be subscribed for, on exercise of relevant rights under such options, warrants or other securities, such adjustment being made in accordance with, or as contemplated by, the terms of such options, rights to subscribe or other securities; or
- (v) a specified authority granted by the shareholders of the Company in general meeting,

shall not exceed 20% of the total number of issued shares in the share capital of the Company on the date of passing of this resolution, subject to adjustments according to any subsequent consolidation or subdivision of shares and the said mandate 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 earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by an ordinary resolution of the shareholders in general meeting.

“Rights Issue” means an offer of shares in the capital of the Company, or an offer of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognized regulatory body or any stock exchange).”

NOTICE OF ANNUAL GENERAL MEETING

7. “**THAT** conditional upon the passing of the resolutions set out in items 5 and 6 of the notice convening the AGM (the “**Notice**”), the general mandate referred to in the resolution set out in item 6 of the Notice be and is hereby extended by the addition to the aggregate number of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the directors of the Company pursuant to such general mandate of the number of shares representing the aggregate number of shares bought back by the Company pursuant to the mandate referred to in resolution set out in item 5 of the Notice, provided that such amount shall not exceed 10% of the total number of issued shares in the share capital of the Company in issue on the date of passing of this resolution.”

8. “**THAT** conditional upon the Listing Committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the ordinary shares of the Company (the “**Shares**”) to be issued by the Company pursuant to the exercise of the Share Options in accordance with the new share option scheme of the Company (the “**New Share Option Scheme**”), the New Share Option Scheme, the rules of which are presented at the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarized in the circular of the Company dated 2 May 2024, be hereby approved and adopted and the Board of the Company be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme including without limitation:
 - (a) administering, modifying, interpreting the New Share Option Scheme and granting Share Options under the New Share Option Scheme;
 - (b) authorizing the Administration Committee to administer the New Share Option Scheme under the supervision of the Board;
 - (c) amending the New Share Option Scheme from time to time provided that such amendment is effected in accordance with the requirements of the Stock Exchange, the provisions of the New Share Option Scheme relating to amendment and the requirements of the Listing Rules;
 - (d) granting Share Options under the New Share Option Scheme, issuing and allotting from time to time such number of Shares of the Company as may be required to be issued pursuant to the exercise of the Share Options granted under the New Share Option Scheme; and
 - (e) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares or any part thereof that may from time to time be issued and allotted pursuant to the exercise of the Share Options granted under the New Share Option Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

9. “THAT

- (a) the declaration and payment of special dividend to the Qualifying Shareholders by way of Distribution in Specie of no more than 799,311,000 Distribution HCD Shares in the proportion of 10 HCD Shares for every 54 Shares held to the Qualifying Shareholders whose names appear on the register of members of the Company at the close of business of 14 June 2024, being the Record Date for determination of entitlement to the Distribution in Specie, and on the terms and subject to the exclusions and/or arrangements as described in the Circular be and is hereby approved; and
- (b) any Director be, and each of them hereby is, authorised and directed to execute and deliver such documents and take such additional actions and do all such other acts and things as such Director deems necessary, appropriate or advisable in the name of and on behalf of the Company as he or she may deem necessary or appropriate in connection with and in the best interests of the Company to carry out the purpose of this resolution, the implementation of the payment of the special dividend and the Distribution in Specie and all matters in furtherance thereof.”

By Order of the Board
Far East Horizon Limited
Kong Fanxing

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 2 May 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any member of the Company entitled to attend and vote at the AGM is entitled to appoint another person as his proxy to attend and vote instead of him. A member may appoint more than one proxy to attend on the same occasion. A proxy need not be a member of the Company and a member may appoint more than one proxy to attend on the same occasion.
3. Receipt by the Company of an instrument of proxy shall not preclude a member from attending and voting in person at the AGM.
4. The instrument appointing a proxy shall be in writing signed by the appointor, or his agent duly authorized in writing, or, if the appointor is a corporation, shall either be executed under its common seal or be signed by some agent or officer duly authorized in that behalf. The directors of the Company may, but shall not be bound to, require evidence of the authority of any such agent or officer.
5. In case of joint holders, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders, and seniority shall be determined by the order in which the names of the holders stand in the register of members.
6. 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 certified copy of that power of attorney or authority, must be deposited at the Company’s share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 3:00 p.m. on Monday, 3 June 2024 (Hong Kong time). Delivery of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
7. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 31 May 2024 to Wednesday, 5 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 30 May 2024 (Hong Kong time), being the last registration date.
8. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Wednesday, 12 June 2024 to Friday, 14 June 2024, both dates inclusive. The record date on which the shareholders of the Company are qualified to receive the proposed final dividend is Friday, 14 June 2024. In order to qualify for the proposed final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 11 June 2024 (Hong Kong time), being the last registration date.
9. For determining the entitlement to the proposed special dividend, the register of members of the Company will be closed from Wednesday, 12 June 2024 to Friday, 14 June 2024, both dates inclusive. The record date on which the shareholders of the Company are qualified to receive the proposed special dividend is Friday, 14 June 2024. In order to qualify for the proposed special dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 11 June 2024, being the last registration date.
10. If a tropical cyclone warning signal number 8 or above or is hoisted, or “extreme conditions” caused by super typhoons or a black rainstorm warning or is/are in force at 3:00 p.m. on 5 June 2024, the AGM will not be held on 5 June 2024 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of Hong Kong Exchanges and Clearing Limited and the Company.

NOTICE OF ANNUAL GENERAL MEETING

11. Ordinary Resolutions No. 1, 2 and 8 were considered and passed by the Directors on 13 March 2024. Ordinary Resolutions No. 3 to 7 and 9 were considered and passed by the Directors on 30 April 2024.

As at the date hereof, the executive directors of the Company are Mr. KONG Fanxing (Chairman), Mr. WANG Mingzhe and Mr. CAO Jian, the non-executive directors of the Company are Mr. CHEN Shumin, Ms. WEI Mengmeng, Mr. LIU Haifeng David, Mr. KUO Ming-Jian and Mr. John LAW, and the independent non-executive directors of the Company are Mr. HAN Xiaojing, Mr. LIU Jialin, Mr. YIP Wai Ming and Mr. WONG Ka Fai Jimmy.