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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult 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.

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**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  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the Annual General Meeting of Far East Horizon Limited to be held at 3:00 p.m. on Wednesday, 5 June 2019 at Tianshan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 37 to 42 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 2019 (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.

6 May 2019

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## DEFINITIONS

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

“2014 Share Option Scheme”	The share option scheme adopted by the Company and approved by the Shareholders at the annual general meeting dated 7 July 2014;
“Administration Committee”	the committee formed by all the members of the remuneration and nomination committee of the Board and two executive Directors, which has been authorized by the Board to operate, manage and administer, among other things, the New Share Option Scheme;
“Adoption Date”	the date on which the adoption of the New Share Option Scheme is approved by the Shareholders;
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at 3:00 p.m. on Wednesday, 5 June 2019 at Tianshan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 37 to 42 of this circular, or any adjournment thereof;
“Articles of Association”	the articles of association of the Company currently in force;
“associate”	has the meaning ascribed thereto under the Listing Rules;
“Auditors”	the auditors of the Company for the time being;
“Board”	the board of Directors;
“Business Day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which banks in Hong Kong are generally open for normal banking business;
“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”	has the meaning ascribed thereto under the Listing Rules;

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## DEFINITIONS

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“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;
“Employee(s)”	employee(s) of the Company or any Subsidiary;
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option;
“Grantee(s)”	any Selected Participant(s) who accepts an Offer in accordance with the terms of the New Share Option Scheme or (where the context so permits) in case of the death or permanent disabilities of any Selected Participant(s), his personal representative who may exercise the vested Option on behalf of such Selected Participant;
“Group”	the Company and its Subsidiaries;
“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;
“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 37 to 42 of this circular;
“Latest Practicable Date”	30 April 2019, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;

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## DEFINITIONS

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the share option scheme of the Company proposed to be adopted and approved by the Shareholders at the Annual General Meeting, a summary of its principal terms is set out in Appendix III to this circular;
“Offer”	an offer for the grant of an Option;
“Offer Date”	the date, which must be a Business Day, on which an Offer is made to an Selected Participant;
“Option(s)”	option(s) to subscribe for the Shares granted pursuant to the New Share Option Scheme from time to time;
“Option Period”	in respect of any particular Option, a period (which may not be later than 10 years from the Offer Date of that Option) to be determined and notified by the Board or the Administration Committee to the Grantee thereof and, in the absence of such determination, from the Offer Date to the earlier of (i) the date on which such Option lapses; and (ii) 10 years from the Offer Date of that Option;
“Participant”	any individual being a senior or middle management personnel, or key Employees of the Company or any Subsidiary;
“Scheme Rules”	rules of the New Share Option Scheme;
“Selected Participant”	any Participant selected by the Board or the Administration Committee in accordance with the terms of and entitled to receive a grant under the New Share Option Scheme;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“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;

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## DEFINITIONS

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“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 37 to 42 of this circular;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Substantial Shareholder”	has the meaning ascribed thereto under the Listing Rules;
“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;
“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;
“Vesting Date”	the date or each such date on which the granted Options are to vest; and
“%”	per cent.

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## LETTER FROM THE BOARD

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**遠東宏信有限公司**  
**FAR EAST HORIZON LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 3360)**

*Chairman and Non-executive Director:*

Mr. Ning Gaoning (*Chairman*)

*Executive Directors:*

Mr. Kong Fanxing (*Chief Executive Officer*)

Mr. Wang Mingzhe (*Chief Financial Officer*)

*Non-executive Directors:*

Mr. Yang Lin

Mr. Liu Haifeng David

Mr. John Law

Mr. Kuo Ming-Jian

*Independent Non-executive Directors:*

Mr. Han Xiaojing

Mr. Liu Jialin

Mr. Cai Cunqiang

Mr. Yip Wai Ming

*Registered Office and Headquarters:*

Suite 6305, 63/F

Central Plaza

18 Harbor Road

Wanchai

Hong Kong

*Principal Place of Business in the PRC:*

Far East Horizon Plaza

9 Yaojiang Road

Pudong

Shanghai

The People's Republic of China

6 May 2019

*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  
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; and (iii) the adoption of the New Share Option Scheme; and to give the Shareholders notice of the Annual General Meeting.

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## LETTER FROM THE BOARD

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### 2. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 72(1) of the Articles of Association, Mr. Ning Gaoning, Mr. John Law, Mr. Kuo Ming-Jian, Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang and Mr. Yip Wai Ming (the “**Retiring Directors**”) 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.

If Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang and Mr. Yip Wai Ming were re-elected at the Annual General Meeting, further appointment of them would result in their serving as Independent Non-executive Directors of the Company for more than nine years. Pursuant to code provision A.4.3 of the Corporate Governance Code (the “**Code**”) which sets out in Appendix 14 to the Listing Rules, the re-election of these directors should be subject to a separate resolution to be approved by Shareholders, and the papers to the Shareholders accompanying that resolution should include the reasons why the board believes the directors are still independent and should be re-elected.

The re-appointment of the Retiring Directors has been reviewed by the Remuneration and Nomination Committee of the Board (the “**the Remuneration and Nomination Committee**”) which made recommendation to the Board that the re-election be proposed for Shareholders’ approval at the Annual General Meeting. The Remuneration and Nomination Committee has also reviewed and assessed the independence of each individual Independent Non-executive Director based on the respective annual confirmation of independence (against the independence guidelines as set out in Rule 3.13 of the Listing Rules) provided by the Independent Non-executive Directors of the Company. All the Independent Non-executive Directors of the Company satisfy the independence guidelines set out in Rule 3.13 of the Listing Rules. The Remuneration and Nomination Committee has recommended all Retiring Directors to the Board for re-election at the Annual General Meeting.

Notwithstanding the fact that the Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang and Mr. Yip Wai Ming will have served the Company for more than nine years during their new term of office upon re-election at the Annual General Meeting, there are no circumstances which are likely to affect their independence as Independent Non-executive Directors of the Company. None of Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang or Mr. Yip Wai Ming is involved in the daily management of the Company nor in any relationship which would interfere with the exercise of their independent judgment. The Board considers that Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang and Mr. Yip Wai Ming remain independent notwithstanding the length of their service and believes that they are able to continue to fulfill their role as Independent Non-executive Directors of the Company and contribute to an upright and efficient Board for the interest of the Shareholders.

In view of the above, the Board considers that the re-election of Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang and Mr. Yip Wai Ming as Independent Non-executive Directors of the Company is beneficial to the Board, the Company and the Shareholders as a whole.



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## LETTER FROM THE BOARD

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Pursuant to the requirement of the Listing Rules, a separate ordinary resolution will be proposed at the Annual General Meeting to approve the re-election of Mr. Han Xiaojing, Mr. Liu Jialin, Mr. Cai Cunqiang and Mr. Yip Wai Ming as Independent Non-executive Directors of the Company.

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 6 June 2018, 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 37 to 42 of this circular (i.e. a total of 395,675,601 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 37 to 42 of this circular (i.e. a total of 791,351,202 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.

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## LETTER FROM THE BOARD

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### 4. PROPOSED ADOPTION OF THE NEW SHARE OPTION SCHEME

The Board proposed to adopt the New Share Option Scheme pursuant to Chapter 17 of the Listing Rules, the principal terms of which are set out in the Appendix III to this circular. The Board considered that the New Share Option Scheme, which will be valid for 10 years from the date of its adoption, will provide the Company with much flexibility in long term planning of granting of the share options to eligible persons in the future. Unless otherwise determined by the Board or the Administration Committee at its respective discretion, the Options granted to the Grantees will vest at the first, second and third anniversary of the Offer Date at an average amount and will not vest in the relevant Grantee in the event that the Grantee fails to satisfy the vesting condition(s) as specified in the Offer issued by the Board or the Administration Committee pursuant to the Scheme Rules. For those Options granted but not vested, the Company also has the absolute discretion to adjust the amount of such Options that are entitled to be vested in future to the Selected Participants when certain specific events as listed in the Scheme Rules occur.

Unless otherwise determined by the Board or the Administration Committee and stated in the Offer to a Grantee, the New Share Option Scheme does not provide for any minimum period for holding of vested Options or any performance target before exercise of vested Options. Under the New Share Option Scheme, the Board or the Administration Committee will have absolute discretion in determining the Exercise Price (subject to the Listing Rules) in respect of any Option. The Board is of the view that the flexibility given to the Board or the Administration Committee 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.

#### 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 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 Options that may be granted under the New Share Option Scheme.

#### Participants

Senior and middle management personnel, as well as other key Employees of the Company or any Subsidiary are persons eligible to participate in the New Share Option Scheme.

The eligibility of the Participant will be decided by the Board or the Administration Committee, at its respective absolute discretion, as to his contribution to the Company or any Subsidiary.

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## LETTER FROM THE BOARD

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### **Reasons for Adopting the New Share Option Scheme**

Since the total share options under the 2014 Share Option Scheme have been fully granted, the purpose of the New Share Option Scheme is to incentivize and reward the Selected Participants for their contribution to the Company and the Subsidiaries and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

### **Value of the Options**

The Board considers that it is not appropriate to state the value of the Options that may be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders and to a certain extent would be misleading to the Shareholders, taking into account the number of variables which are crucial for assessing the value of the Options which have not been determined. Such variables include the Exercise Price, the Option Period and all other relevant variables.

### **Scheme Mandate Limit and Maximum Number of Shares Issuable**

As approved by the Board, the total number of new Shares in respect of which Options may be granted under the New Share Option Scheme shall not exceed 4% of the Company's issued shares as at the date of approval of the New Share Option Scheme by the Shareholders at the AGM, which is 158,270,240 Shares (the "**Scheme Mandate Limit**") assuming there is no change to the Company's issued shares from the date of this circular to the date of the AGM to approve the New Share Option Scheme.

The Company, may at any time as the Board thinks fit, seek approval from the Shareholders to refresh the Scheme Mandate Limit; save that the total number of new Shares in respect of which Options may be granted under the New Share Option Scheme and any other schemes shall not exceed 10% of the Shares in issue as at the date on which the Shareholders of the Company approve the refreshment of the Scheme Mandate Limit and the maximum number of new Shares in respect of which Options may be granted and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the Shares in issue from time to time.

The maximum number of Shares which are issued and may be issued upon exercise of all options (including exercised and outstanding options) granted to any Selected Participant within any 12-month period must not exceed 1% of the issued shares of the Company from time to time.

### **Acceptance of an offer of Options**

An Offer shall be open for acceptance for such period within 14 days inclusive of, and from, the Offer Date by the Selected Participant. An Offer not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of options and such payment shall not be refundable and shall not be deemed to be a part payment of the Exercise Price.

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## LETTER FROM THE BOARD

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### **Vesting of Options**

Unless otherwise determined by the Board or the Administration Committee at its respective discretion, the Options granted to the Grantees will vest at the first, second and third anniversary of the Offer Date at an average amount and will not vest in the relevant Grantee in the event that the Grantee fails to satisfy the vesting condition(s) as specified in the Offer issued by the Board or the Administration Committee pursuant to the Scheme Rules. For those Options granted but not vested, the Company also has the absolute discretion to adjust the amount of such Options that are entitled to be vested in future to the Selected Participants when certain specific events as listed in the Scheme Rules occur.

### **Exercise price**

The Exercise Price in respect of any option shall be such price as determined by the Board or the Administration Committee and notified to the Grantees and which shall not be less than the higher of:

- (i) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and
- (ii) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Offer Date.

### **Transferability of Options**

Neither the Option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any option holder to any other person or entity. If an option holder transfers, assigns or disposes of any such option or rights, whether voluntarily or involuntarily, then the relevant option will immediately lapse.

### **Compensation Mechanism**

Under the New Share Option Scheme, if the Board considers that the resignation of a 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 resignation; or (iii) the end of the relevant Grantee's 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 business secrets to any third party; and (c) spreading false information about the Company), and the relevant Grantee has exercised the 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.

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## LETTER FROM THE BOARD

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### **Termination**

The Company may by resolution in general meeting or the Board may at any time terminate the New Share Option Scheme, upon which no new offers to grant Options under the New Share Option Scheme will be made and any options which have been granted within the valid period under the New Share Option Scheme but not yet lapsed before the termination of the New Share Option Scheme shall remain in force in all other aspects under the New Share Option Scheme.

### **Scheme Rules for Inspection**

The summary of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be available for inspection at Suite 6305, 63/F, Central Plaza, 18 Harbor Road, Wanchai, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting and will be available for inspection at the Annual General Meeting.

### **5. 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.

### **6. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT**

The notice of the Annual General Meeting is set out on pages 37 to 42 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, where applicable, 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/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.

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## LETTER FROM THE BOARD

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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 2019 (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.

### 7. RECOMMENDATION

The Directors consider that the resolutions regarding, inter alia, the proposed re-election of Retiring Directors, the granting of the Share Buy-back Mandate and the Issuance Mandate and the adoption of the New Share Option Scheme 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.

Yours faithfully,  
For and on behalf of the Board  
**Far East Horizon Limited**  
**Ning Gaoning**  
*Chairman*

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APPENDIX I	DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING
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The following are details of the Directors who will retire and being eligible, offer themselves for re-election at the Annual General Meeting.

#### NON-EXECUTIVE DIRECTORS

##### (1) Mr. Ning Gaoning

Mr. Ning Gaoning (“**Mr. Ning**”), aged 60, was appointed as a non-executive director and the Chairman of the Company on 30 March 2016.

Mr. Ning holds a Bachelor’s degree in Economics from Shandong University in China and a Master of Business Administration degree from University of Pittsburgh in the United States. Mr. Ning has been the Chairman and the Party Group Secretary of Sinochem Group since December 2015 and was appointed as a non-executive director of the Company in March 2016.

Mr. Ning served as the chairman of the board of directors of COFCO Corporation (“**COFCO**”) from December 2004 to January 2016, and also served as a director of certain subsidiaries of COFCO. Before joining COFCO, Mr. Ning held various positions such as vice chairman, director and general manager at China Resources (Holdings) Company Limited and certain of its subsidiaries.

In the last three years, Mr. Ning was a non-executive director of China Agri-Industries Holdings Limited (a company listed on the Stock Exchange, stock code: 606), a non-executive director of China Foods Limited (a company listed on the Stock Exchange, stock code: 506) (“**China Foods**”), a non-executive director of CPMC Holdings Limited (a company listed on the Stock Exchange, stock code: 906) and the chairman of the board of directors and a non-executive director of China Mengniu Dairy Company Limited (a company listed on the Stock Exchange, stock code: 2319) until February 2016. Mr. Ning was a director of BOC International Holdings Limited, an independent non-executive director of Bank of China (Hong Kong) Limited and an independent non-executive director of BOC Hong Kong (Holdings) Limited (a company listed on the Stock Exchange, stock code: 2388) until October 2014. Mr. Ning was also an independent director of Huayuan Property Co., Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600743) until November 2014 and an executive director of China Foods until November 2013.

Mr. Ning has rich business management experience and extensive knowledge about economic activities of capital market.

Save as disclosed above, Mr. Ning (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.



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<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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As at the Latest Practicable Date, Mr. Ning did not have or was not deemed to have any 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. Ning has entered into an appointment letter with the Company under which Mr. Ning agreed to act as non-executive Director for a term of three years commencing from 11 March 2017. No director fees are payable to Mr. Ning under the appointment letter. Mr. Ning 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. Ning 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. Ning that need to be brought to the attention of the Shareholders in relation to his re-election.

**(2) Mr. John Law**

Mr. John Law (“**Mr. Law**”), aged 68, was appointed as a non-executive director of the Company on 25 October 2012.

Mr. Law worked for J.P. Morgan & Co. as training head of Asia Pacific Region, as risk manager for Greater China Region and as senior credit officer for Asia Pacific Region, Euroclear respectively. He then worked for Citigroup, Inc. (a company listed on the New York Stock Exchange, NYSE: C) from August 2000 to November 2003 as the regional credit officer for Asia Pacific Financial Markets. Prior to joining the Company, he worked for International Finance Corporation from March 2004 to September 2012 as the principal banking specialist for global financial markets.

Mr. Law is currently a non-executive director of Rizal Commercial Banking Corporation (a company listed on the Philippine Stock Exchange, stock code: RCB) and an independent non-executive director of IntelliCentrics Global Holdings Ltd. (a company listed on the Stock Exchange, stock code: 6819).

Mr. Law holds a master degree in business administration (finance) from Indiana University in USA and has more than 30 years’ experience in finance.

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



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<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Mr. Law has entered into an appointment letter with the Company under which Mr. Law agreed to act as non-executive Director for a term of three years commencing from 11 March 2017. Under the appointment letter, the Company shall pay HK\$420,000 as Director's fee to Mr. Law every year. Mr. Law 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. Law 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. Law that need to be brought to the attention of the Shareholders in relation to his re-election.

**(3) Mr. Kuo Ming-Jian**

Mr. Kuo Ming-Jian ("**Mr Kuo**"), aged 57, was appointed as a non-executive director of the Company in March 2013.

Mr. Kuo is currently the Chairman of Cathay United Bank, Chairman of Cathay United Bank (China) and a director of Cathay Financial Holding Co., Ltd. (a company listed in Taiwan, stock code: 2882). He is also a Senior Advisor of Blackstone Group L.P. (a company listed on the New York Stock Exchange, NYSE: BX) and was appointed as the Vice Chairman and a Senior Managing Director of Blackstone Group L.P., Great China since 2007. Before joining Blackstone Group L.P., Mr. Kuo was a Partner and Co-Vice Chairman and Managing Director, Head of greater China in H&Q Asia Pacific. Before that, Mr. Kuo was also the Head and Country Head of Investment Banking for JPMorgan Chase & Co (a company listed on the New York Stock Exchange, NYSE: JPM) in Hong Kong and the Vice Chairman of JPMorgan Chase & Co's Greater China Operating Committee. Mr. Kuo was an independent non-executive director of Cathay Financial Holdings Co., Ltd. and Cathay Life Insurance Co., Ltd..

Mr. Kuo is also an independent non-executive director of Samson Holding Limited (a company listed on the Stock Exchange, stock code: 0531).

Mr. Kuo received his Bachelor's degree from Fu-Jen Catholic University and holds an MBA degree from City University of New York.

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

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## APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING

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Mr. Kuo has entered into an appointment letter with the Company under which Mr. Kuo agreed to act as non-executive Director for a term of three years commencing from 11 March 2017. Under the appointment letter, the Company shall pay HK\$420,000 as Director's fee to Mr. Kuo every year. Mr. Kuo 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. Kuo 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. Kuo that need to be brought to the attention of the Shareholders in relation to his re-election.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

#### (4) Mr. Han Xiaojing

Mr. Han Xiaojing (“**Mr. Han**”), aged 64, was appointed as an independent non-executive director of the Company in March 2011.

From 1986 to 1992, Mr. Han worked at China Law Center (中國法律事務中心). During the same period, he spent three and a half years at Zimmerman Lawyers (齊默爾曼律師事務所) in Canada and Livasiri & Co. (廖綺雲律師事務所) in Hong Kong for study. In 1992, Mr. Han was involved in the establishment of Commerce & Finance Law Offices (北京市通商律師事務所), and has been a partner there ever since. Mr. Han is admitted to practicing law in the PRC and has 32 years of experience in the legal profession.

Currently, Mr. Han is an independent non-executive director of Sino-Ocean Group Holdings Limited (遠洋集團控股有限公司) (a company listed on the Stock Exchange, stock code: 3377). He also serves as independent director of Ping An Bank Co., Ltd. (平安銀行股份有限公司) (a company listed in the Shenzhen Stock Exchange, stock code: 000001) and Beijing Sanju Environmental Protection & New Materials Co., Ltd. (北京三聚環保新材料股份有限公司) (a company listed in the Shenzhen Stock Exchange, stock code: 300027).

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

Mr. Han has entered into an appointment letter with the Company under which Mr. Han agreed to act as independent non-executive Director for a term of three years commencing from 30 March 2017. Under the appointment letter, the Company shall pay HK\$420,000 as

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APPENDIX I	DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING
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Director's fee to Mr. Han every year. Mr. Han 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. Han 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. Han that need to be brought to the attention of the Shareholders in relation to his re-election.

**(5) Mr. Liu Jialin**

Mr. Liu Jialin ("**Mr. Liu**"), aged 56, was appointed as an independent non-executive director of the Company in March 2011.

From 1992 to 2007, Mr. Liu worked for Morgan Stanley (a company listed on the New York Stock Exchange, NYSE: MS) and once served as a member of the Management Committee and Asia Executive Committee as well as a Managing Director in the Fixed Income Division in Hong Kong. In 2008, Mr. Liu established Shelter Cove Capital Limited (now known as Voras Capital Management (HK) Limited). Mr. Liu has 30 years of experience in finance and securities industry.

Mr. Liu also serves as the managing director of Cinda International Asset Management Limited.

Mr. Liu obtained a bachelor's degree in science from Peking University and a degree of Master of Science in physics from Massachusetts Institute of Technology.

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:

	No. of Shares of the Company	Approximate % of the issued share capital of the Company
Mr. Liu	250,000	0.00%

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.

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<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Mr. Liu has entered into an appointment letter with the Company under which Mr. Liu agreed to act as independent non-executive Director for a term of three years commencing from 30 March 2017. 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.

**(6) Mr. Cai Cunqiang**

Mr. Cai Cunqiang ("**Mr. Cai**"), aged 69, was appointed as an independent non-executive director of the Company in March 2011.

Mr. Cai graduated from Shanghai Maritime College (上海海運學院) (now known as Shanghai Maritime University (上海海事大學)) in 1977, and worked for that college since then. He was promoted to be a deputy professor in 1993 and later a professor in 1995. In 2001, Mr. Cai became the deputy dean of Shanghai Maritime College and was awarded the special government allowance by the State Council. Currently, Mr. Cai is a part-time lawyer in Shanghai Yingtai Law Firm (上海瀛泰律師事務所) and an arbitrator of China Maritime Arbitration Commission (中國海事仲裁委員會).

Mr. Cai is admitted to practicing law in the PRC. Mr. Cai has 41 years of experience in the shipping industry.

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

Mr. Cai has entered into an appointment letter with the Company under which Mr. Cai agreed to act as independent non-executive Director for a term of three years commencing from 30 March 2017. No director fees are payable to Mr. Cai under the appointment letter. Mr. Cai is subject to the relevant retirement and re-election provisions in the Articles of Association.

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**APPENDIX I                      DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE  
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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Save as disclosed above, there is no information which is discloseable nor is Mr. Cai 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. Cai that need to be brought to the attention of the Shareholders in relation to his re-election.

**(7) Mr. Yip Wai Ming**

Mr. Yip Wai Ming (“**Mr. Yip**”), aged 53, was appointed as an independent non-executive director of the Company in March 2011.

Mr. Yip graduated from the University of Hong Kong (香港大學) with a bachelor of social sciences degree in November 1987. He also obtained a degree of bachelor of laws from the University of London (倫敦大學) in August 2001. Mr. Yip started his career in Ernst & Young in 1987, and was a senior manager at the time of his departure in 1996. From 1996 to 2010, Mr. Yip served as an associate director in ING Bank N.V., the chief financial officer in Fulbond Holdings Limited (福邦控股有限公司), the vice president of Hi Sun Technology (China) Limited (高陽科技(中國)有限公司) (a company listed on the Stock Exchange, stock code: 0818), the chief financial officer of Haier Electronics Group Co., Ltd. (海爾電器集團有限公司) (a company listed on the Stock Exchange, stock code: 1169) and the deputy general manager of Yuzhou Properties Company Limited (禹州地產股份有限公司) (a company listed on the Stock Exchange, stock code: 1628) respectively. Currently, Mr. Yip is an independent non-executive director of Ju Teng International Holdings Limited (巨騰國際控股有限公司) (a company listed on the Stock Exchange, stock code: 3336), Pax Global Technology Limited (百富環球科技有限公司) (a company listed on the Stock Exchange, stock code: 0327), Poly Culture Group Corporation Limited (保利文化集團股份有限公司) (a company listed on the Stock Exchange, stock code: 3636), Yida China Holdings Limited (億達中國控股有限公司) (a company listed on the Stock Exchange, stock code: 3639) and Pantronics Holdings Limited (桐成控股有限公司) (a company listed on the Stock Exchange, stock code: 1611).

Mr. Yip is a fellow of the Association of Chartered Certified Accountants, an associate of the Hong Kong Institute of Certified Public Accountants and a member of the Chinese Institute of Certified Public Accountants.

Mr. Yip has over 28 years of experience in accounting and finance.

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

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<b>APPENDIX I</b>	<b>DETAILS OF THE RETIRING DIRECTORS PROPOSED TO BE RE-ELECTED AT THE ANNUAL GENERAL MEETING</b>
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Mr. Yip has entered into an appointment letter with the Company under which Mr. Yip agreed to act as independent non-executive Director for a term of three years commencing from 30 March 2017. Under the appointment letter, the Company shall pay HK\$420,000 as Director's fee to Mr. Yip every year. Mr. Yip 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 disclosable nor is Mr. Yip 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. Yip that need to be brought to the attention of the Shareholders in relation to his re-election.

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## **APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE**

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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 3,956,756,011 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. 3,956,756,011 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 395,675,601 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 2018) 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:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2018</b>		
April	9.00	7.34
May	8.50	7.33
June	8.67	7.51
July	8.00	6.78
August	7.70	6.83
September	7.63	6.99
October	7.64	6.97
November	7.80	7.29
December	8.20	7.37
<b>2019</b>		
January	8.17	7.50
February	8.88	7.89
March	8.96	8.16
April	8.80	8.32

**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 have undertaken to the Stock Exchange to 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.



## 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.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of the SFO and so far as is known to, or to the best knowledge of the Directors, the following substantial Shareholders (as defined in the Listing Rules) of the Company were directly or indirectly interested in 5% or more of the issued capital of the Company. Their respective interests as at the Latest Practicable Date is shown under the column "Before buy-back" while their respective interests in the event that the Directors exercise in full the power to buy back Shares in accordance with the terms of the ordinary resolution in relation to the Share Buy-back Mandate to be proposed at the Annual General Meeting (and assuming that the issued share capital of the Company remains unchanged up to the date of the Annual General Meeting) is shown under the column "After buy-back":

	No. of Shares Held	Before buy-back	After buy-back
Sinochem Group <sup>(Note 1)</sup>	919,914,440	23.24%	25.83%
Greatpart Limited <sup>(Note 1)</sup>	919,914,440	23.24%	25.83%
JPMorgan Chase & Co. <sup>(Note 2)</sup>	395,364,665	9.99%	11.10%
Cathay Life Insurance Co., Ltd.	355,307,000	8.98%	9.97%
Kong Fanxing <sup>(Note 3)</sup>	300,967,000	7.60%	8.45%
Aim Future Limited <sup>(Note 4)</sup>	267,173,000	6.75%	7.50%
UBS Group AG <sup>(Note 5)</sup>	238,626,971	6.03%	6.70%
Liu Haifeng David <sup>(Note 6)</sup>	316,442,100	7.99%	8.88%
Capital Rise Limited <sup>(Note 6)</sup>	314,775,100	7.95%	8.83%
Capital Bridge Limited <sup>(Note 6)</sup>	315,375,100	7.97%	8.85%
DCP Capital Partners L.P. <sup>(Note 6)</sup>	315,375,100	7.97%	8.85%
DCP General Partner, Ltd <sup>(Note 6)</sup>	315,375,100	7.97%	8.85%
DCP, Ltd. <sup>(Note 6)</sup>	315,375,100	7.97%	8.85%
Julian Juul Wolhardt <sup>(Note 6)</sup>	315,375,100	7.97%	8.85%

The above are calculated based on issued Shares of 3,956,756,011 as at the Latest Practicable Date.

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## APPENDIX II EXPLANATORY STATEMENT ON THE SHARE BUY-BACK MANDATE

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*Notes:*

- (1) Sinochem Group is the beneficial owner of 100% of the issued share capital of Greatpart Limited and is deemed to be interested in the number of Shares of the Company held by Greatpart Limited.
- (2) JPMorgan Chase & Co. is deemed to be interested in 14,113,206 Shares held by a controlled corporation and holds 5,092,000 Shares in the capacity of investment manager. The remaining 376,159,459 Shares are kept as approved lending agent.
- (3) Mr. Kong Fanxing is the beneficial owner of 33,794,000 Shares. In addition, Mr. Kong Fanxing holds 70% equity interest in Aim Future Limited and is therefore deemed to be interested in the Shares held by Aim Future Limited.
- (4) Such interest is directly held by Will of Heaven HK Limited and Swallow Gird HK Limited, both of which are wholly-owned subsidiaries of Aim Future Limited.
- (5) UBS Group AG has a security interest in 11,254,000 Shares and is deemed to be interested in 227,372,971 Shares held by a controlled corporation.
- (6) The interests includes (1) 1,067,000 ordinary shares of the Company held directly by New Trace Limited which is 100% controlled by Mr. Liu Haifeng David; (2) 314,775,100 ordinary shares of the Company held directly by Capital Rise Limited; and (3) 600,000 underlying shares held directly through Capital Lead Limited in respect of the right under a call option (exercisable between 24 June 2018 and 31 October 2018). Capital Bridge Limited holds the entire share capital of Capital Rise Limited and Capital Lead Limited respectively. Capital Bridge Limited is 100% controlled by DCP Capital Partners L.P., which is 100% controlled by DCP General Partner, Ltd, which in turn is 100% controlled by DCP Partners Limited. DCP Partners Limited is 100% controlled by DCP, Ltd., which is 50% controlled by Mr. Julian Juul Wolhardt and 50% controlled by Mr. Liu Haifeng David.

On the basis of the shareholding held by the Shareholders named above, an exercise of the Share Buy-back Mandate in full will result in Greatpart Limited becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent as would, in the circumstances, give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code or result in the aggregate number of Shares held by the public Shareholders falling below the prescribed minimum percentage required by the Stock Exchange.

### **8. BUY-BACK OF SHARES MADE BY THE COMPANY**

During the 6 months prior to the Latest Practicable Date, the Company had not bought back any of the Shares (whether on the Stock Exchange or otherwise).

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 incentivize and reward the Selected Participants for their contribution to the Company and the Subsidiaries and to align their interests with that of the Company so as to encourage them to work towards enhancing the value of the Company.

**(B) WHO MAY JOIN**

Senior and middle management personnel, as well as other key Employees of the Company or any Subsidiary are persons eligible to participate in the New Share Option Scheme.

The eligibility of the Participant will be decided by the Board or the Administration Committee, at its respective absolute discretion, as to his contribution to the Company or any Subsidiaries.

**(C) MAXIMUM NUMBER OF SHARES IN RESPECT OF WHICH OPTIONS MAY BE GRANTED**

The maximum number of new Shares in respect of which Options may be granted under the New Share Option Scheme shall not exceed 4% of the Company's issued shares as at the date of approval of the New Share Option Scheme by the Shareholders, which is 158,270,240 Shares (the "**Scheme Mandate Limit**") assuming there is no change to the Company's issued shares from the date of this circular to the date of the Annual General Meeting to approve the New Share Option Scheme, provided that:

- (i) the Company may at any time as the Board thinks fit, seek approval from the shareholders to refresh the Scheme Mandate Limit save that the total number of new Shares in respect of which Options may be granted under the New Share Option Scheme and any other schemes shall not exceed 10% of the Shares in issue as at the date on which the Shareholders approve the refreshment of the Scheme Mandate Limit. Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the New Share Option Scheme and other relevant schemes) will not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. The Company shall deliver to the Shareholders a circular containing such information as required by the Listing Rules;

- (ii) the Company may seek separate approvals from the Shareholders in general meetings for granting options which would exceed the Scheme Mandate Limit save that the Company has specified the Participant who would be proposed to be granted Options exceeding the Scheme Mandate Limit and shall deliver to the Shareholders a circular containing such information as required by the Listing Rules; and
- (iii) the maximum number of new Shares in respect of which Options may be granted and yet to be exercised under the New Share Option Scheme and any other schemes shall not exceed 30% of the Shares in issue from time to time.

**(D) MAXIMUM ENTITLEMENT OF EACH INDIVIDUAL**

The maximum number of Shares which are issued and may be issued upon exercise of all Options (including exercised and outstanding options) granted to any Selected Participant within any 12-month period must not exceed 1% of the issued shares of the Company from time to time (the “**Individual Limit**”). In the event that any further Options will be granted to such person, which will result in the total number of Shares issued and to be issued under all Options granted or to be granted to him (including exercised, cancelled and outstanding options) within the 12-month period up to and inclusive of the date of such further grant in excess of 1% of the issued shares of the Company, such grant would be approved by the Shareholders in general meetings and the Selected Participant and his close associates (or his associates if the Selected Participant is a Connected Person) shall abstain from voting. The Company shall deliver to the Shareholders a circular containing the identity of the Selected Participant, the numbers and terms of the options to be granted (and options previously granted to such Selected Participant) and data and detailed information required under the Listing Rules. The number and terms (including the Exercise Price) of the Options to be granted to such Selected Participant must be fixed before the Shareholders’ approval and the date of the Board meeting approving such further grant shall be taken as the date of grant for the purpose of determining the Exercise Price of the Options.

**(E) GRANT OF OPTIONS TO CONNECTED PERSONS**

Any grant of Options to a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates, under the New Share Option Scheme must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options).

Where any grant of Options to a Substantial Shareholder or an independent non-executive Director, or any of their respective associates, will result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the New Share Option Scheme (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the issued shares as at the date of the abovementioned grant; and
- (ii) having an aggregate value, based on the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotation's sheet at the date of each grant, in excess of HK\$5 million,
- (iii) such further grant of options must be approved by the Shareholders. The Company shall deliver to the shareholders a circular containing data and detailed information required under the Listing Rules.

**(F) RESTRICTION ON THE TIME OF GRANT OF OPTIONS**

The Company may not grant any Options when there is inside information until such inside information has been published in accordance with the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of 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, no Option may be granted.

The Company may not grant any Options within 30 days after it repurchases its own Shares. In addition, the Company may not grant any Options during the period when the relevant Selected Participant is prohibited to deal in the Shares by the Listing Rules or any other relevant laws and regulations.

**(G) RESTRICTION ON THE TIME OF ACCEPTANCE AND EXERCISE OF OPTIONS**

During the period when any Selected Participant is prohibited to deal in the Shares by the Listing Rules or any other relevant laws and regulations, the relevant Selected Participant may not accept the Offer of Options, exercise the vested Options or sell the Shares obtained by exercising the Options. For illustration purpose:

- (i) in respect of any Selected Participant, during the period when the relevant Selected Participant is aware of any inside information until such inside information has been published in accordance with the Listing Rules; and
- (ii) in respect of the Directors or relevant employee (as defined in the Listing Rules), on any day on which its financial results are published and: (a) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

**(H) ACCEPTANCE OF AN OFFER OF OPTIONS**

An Offer shall be open for acceptance for such period within 14 days inclusive of, and from, the Offer Date by the Selected Participant. An Offer not accepted within this period shall lapse. An amount of HK\$1.00 is payable upon acceptance of the grant of options and such payment shall not be refundable and shall not be deemed to be a part payment of the Exercise Price.

**(I) VESTING OF OPTIONS**

Unless otherwise determined by the Board or the Administration Committee at its respective discretion, the Options granted to the Grantees will vest at the first, second and third anniversary of the Offer Date at an average amount and will not vest in the relevant Grantee in the event that the Grantee fails to satisfy the vesting condition(s) as specified in the Offer issued by the Board or the Administration Committee pursuant to the Option Scheme Rules. For those Options granted but not vested, the Company also has the absolute discretion to adjust the amount of such Options that are entitled to be vested in future to the Selected Participants when certain specific events as listed in the Scheme Rules occur.

**(J) VESTING CONDITIONS**

The vesting of the Options is subject to the Company's fulfillment of the annual performance target for the previous financial year which was set by the Board as budget for the previous financial year.

The vesting of the Options is also subject to the Grantees remaining at all times after the Offer Date and on the Vesting Date (as the case may be, on each relevant Vesting Date) an Employee of the Company or any Subsidiary. For the avoidance of doubt, in the event of a Selected Participant ceasing to be a Participant by reason of death, all Options granted but not vested shall be deemed to lapse immediately on the date of his death.

The Options cannot be vested and will lapse on the Vesting Date if:

- (i) the employment relationship with the relevant Grantee has been terminated by the Company or any Subsidiary for cause. For the purposes of this paragraph and all other relevant provisions hereunder (if any) relating to termination for cause, cause shall mean:
  - (a) dishonesty or serious misconduct, whether or not in connection with his employment; willful disobedience or non-compliance with the terms of his employment, agency or consultancy contract with the Company or any Subsidiary or any legitimate orders or instructions given by the Company or any Subsidiary as the case may be;
  - (b) incompetence or negligence in the performance of his duties in the conclusive opinion of the Company or any Subsidiary;
  - (c) doing anything in the conclusive opinion of the Company or any Subsidiary adversely affecting his ability to perform his duties properly or bringing the Company or the Group into disrepute; or
  - (d) leaking the commercial secret or confidential information of the Company or any Subsidiary.
- (ii) the Grantee has been dismissed by the Company or any Subsidiary, tendered his resignation, the end of the employment contract without renewal or termination of the employment contract by negotiation of the Employee and the Company or any Subsidiary before the expiry of such contract;
- (iii) the Grantee has been convicted for any criminal offence involving his integrity or honesty;
- (iv) the Grantee has become bankrupt or failed to pay his debts within a reasonable time after they become due or has made any arrangement or composition with his creditors generally; or
- (v) the Grantee has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time.

Upon the occurrence of any of the following events by a Selected Participant, the Company has the absolute discretion to adjust the amount of the Options that have already been granted but are entitled to be vested in future to such Selected Participant:

- (i) the result of the annual performance assessment of such Selected Participant for the previous financial year is C or below;
- (ii) the rank of post of such Selected Participant within the Group is decreased for cause;
- (iii) such Selected Participant is subject to the internal disciplinary penalty within the Group for cause; or
- (iv) other circumstances as the Company deems necessary for the number of the granted Options of such Selected Participant to be adjusted.

Once any of the events mentioned above occurs, the Company shall inform such Selected Participant in writing as soon as practicable of its decision on whether or not to make adjustment of those affected Options.

For the avoidance of doubt, in the event that a Grantee ceases to be qualified as a Participant by reason of (i) if he is an Employee, redundancy, severance or dismissal or his resignation; and (ii) the company by which such Selected Participant is employed or contracted with ceases to be a Subsidiary; then such person will cease to be a Selected Participant for the purposes of the New Share Option Scheme. The Options granted but not vested shall automatically lapse forthwith and not be vested on the Vesting Date and no claims shall be brought against the Company.

For the avoidance of doubt, in the event that a Grantee is transferred to the investee company of the Group under the instruction of the Group and still holds position in the Group, the relevant Grantee will still be qualified as a Participant. However, if the relevant Grantee working in the investee company of the Group does no longer hold position in the Group, the relevant Grantee will cease to be qualified as a Participant.

Notwithstanding any other provisions of this New Share Option Scheme (but subject to any applicable laws), the Board or the Administration Committee shall be at liberty to waive the vesting conditions referred to herein.



**(K) EXERCISE PRICE**

The Exercise Price in respect of any option shall be such price as determined by the Board or the Administration Committee and notified to the relevant Grantee and which shall not be less than the higher of:

- (i) the closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheet on the Offer Date; and
- (ii) the average closing price of the Shares on the Stock Exchange as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Offer Date.

**(L) DURATION OF THE NEW SHARE OPTION SCHEME**

Subject to any early termination, the New Share Option Scheme shall be valid and effective for a period of ten years commencing on the Adoption Date, after which period no further options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto which are at that time or become thereafter capable of exercise under the New Share Option Scheme.

**(M) TIME OF EXERCISE OF OPTIONS**

The Options shall be exercised within the Option Period and any Option which remains unexercised upon the expiry of the Option Period shall lapse, except that:

- (i) in case of the death or permanent disabilities of a relevant Grantee, the relevant Grantee or his legal representative shall exercise the vested Option within 90 days after his death or occurrence of the event resulting his permanent disabilities, unless otherwise determined by the Board or Administration Committee;
- (ii) in case of retirement according to the retirement scheme of the Group and not holding any position in the Group, the relevant Grantee shall be able to exercise the Options within the Option Period;
- (iii) in case of resignation, failure to renew the employment contract or termination of the employment contract by negotiation between the Employee and the Company before its expiry or for cause which results in the disqualification of the relevant Grantee as a Participant, the vested but yet to exercised Options shall lapse at the date of the delivery of the resignation notice or employment relationship termination date decided by the Board;

- (iv) in case of ceasing to be an Employee for any reason other than those specified in (m)(i)(ii)(iii) (for example, the company by which the relevant Grantee is employed is no longer a Subsidiary of the Group), the relevant Grantee may exercise the Options (to the extent vested yet to be exercised) within 90 days after the occurrence of any event disqualifying the relevant Grantee as a Participant, unless otherwise determined by the Board or Administration Committee; and
- (v) in case of the relevant Grantee being convicted for any criminal offence involving his integrity or honesty or violation of any contract entered between the relevant Grantee or his associates and the Company or any Subsidiary, the vested but yet to exercised Options shall be deemed to lapse at the date of the conviction or violation.

An option shall be subject to such terms and conditions (if any) as may be determined by the Board or the Administration Committee at the Offer Date and specified in the Offer of the Option. There is no minimum period for which any vested Option must be held before it can be exercised and no performance target which need to be achieved by a Grantee before the vested Options can be exercised.

#### **(N) RANKING OF THE SHARES**

Shares allotted and issued on the exercise of an option will rank equally in all respects with the Shares in issue on the date of issuance.

#### **(O) RIGHTS ARE PERSONAL TO THE GRANTEE**

Neither the option nor any rights in respect of it may be transferred, assigned or otherwise disposed of by any Grantee to any other person or entity. If a Grantee transfers, assigns or disposes of any such option or rights, whether voluntarily or involuntarily, then the relevant Option will immediately lapse.

#### **(P) RIGHTS ON A GENERAL OFFER**

If as a result of any general offer made to the holders of Shares, the Board or the Administration Committee becomes aware that the right to cast more than 50 per cent. 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 (“**General Offer**”), the Board or the Administration Committee will notify every Grantee of this as soon as possible after becoming so aware. All the Options already granted yet to be vested shall be vested on each Grantee immediately on the earlier of (i) the date of the Board or the Administration Committee’s notification to the Grantee; and (ii) the date on which the person making the offer obtains control of the Company. Each Grantee will be entitled to exercise his options (to the extent already vested, but not exercised) during Ten (10) business days starting on the later of the abovementioned dates. All options not exercised before the expiry of such period will lapse.

**(Q) RIGHTS ON COMPANY RECONSTRUCTIONS**

In the event of a compromise or arrangement, the Company shall give notice to all Grantees who have not exercised the already vested options on the same date as it gives notice of the meeting to its Shareholders or creditors to consider such a compromise or arrangement. All the Options already granted yet to be vested shall be vested to the relevant Grantee on the date of the aforementioned notice. Each Grantee may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his Options (to the extent already vested, but not exercised), and subject to the Company receiving the exercise notice and the total subscription payment, the Company shall 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, allot, issue and register under the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such options. Any options not so exercised will lapse.

**(R) RIGHTS ON WINDING UP**

In the event 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 voluntarily winding up of the Company, the Company shall on the same date give notice thereof to all the Grantees. All Options already granted yet to be vested shall be vested on each Grantee immediately on the date of such notice from the Company. Each Grantee (or his personal representative) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time thereafter but before such time as shall be notified by the Company. The Company shall 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, allot the relevant Shares to the Grantees credited as fully paid.

**(S) LAPSE OF OPTION**

An option will lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of: (a) the expiry of the Option Period; (b) the expiry of any of the period referred to in sub-paragraphs (j), (m), (o), (p) and (q); and (c) subject to sub-paragraph (r), the date of the commencement of the winding-up of the Company.

**(T) EFFECT OF ALTERATION TO CAPITAL**

In the event of any alteration to the capital structure of the Company, whether by way of capitalization issue, rights issue, sub-division or consolidation of shares, or reduction of capital of the Company whilst any Option remains exercisable, the Board or the Administration Committee may make adjustments to the following items at its respective discretion:

- (a) the maximum number of the Shares to be issued under the New Share Option Scheme; and/or
- (b) the number of the Shares corresponding to the unexercised Options; and/or
- (c) the Exercise Price of the unexercised Options.

If the Board or the Administration Committee considers such adjustments (other than any made on a capitalization issue) are appropriate, the Auditors or an independent financial advisor appointed by the Company shall certify in writing to the Board or the Administration Committee to be in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall be made on the basis that the total payment for the subscription under the exercise of all options shall be as close as possible to, but not in excess of the previous amount;
- (b) no such adjustments shall be made the effect of which would be able to increase the proportion of the issued shares of the Company for which any option holder would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustments; and
- (c) the adjustment satisfies the requirements of the Chapter 17 of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange.

#### **(U) CANCELLATION OF OPTIONS**

Subject to the consent from a Grantee, the Board or the Administration Committee may cancel whole or parts of Options (which has been vested but not yet exercised) from the date specified in writing to the Grantees (the “**Cancellation Date**”), either;

- (i) the Company pays to the relevant Grantee an amount equal to the fair market value of the Option at the date of Cancellation Date as determined by the Board or the Administration Committee at its respective absolute 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 to the relevant Grantee replacement options (or options under any other share option scheme) or makes such arrangements as the relevant Grantee may agree to compensate him for the loss of the Option; or
- (iii) the Board or the Administration Committee makes other arrangements as the option holder may agree to compensate him for the cancellation of the option.

#### **(V) TERMINATION OF THE NEW SHARE OPTION SCHEME**

The Company may by resolution in general meeting or the Board may at any time terminate the New Share Option Scheme, upon which no new offers to grant Options under the New Share Option Scheme will be made and any Options which have been granted within the valid period under the New Share Option Scheme but not yet lapsed before the termination of the New Share Option Scheme shall remain in force in all other aspects under the New Share Option Scheme.

**(W) ALTERATION OF THE NEW SHARE OPTION SCHEME**

The Board may amend any of the provisions of the New Share Option Scheme at any time except the following, which shall be approved by the Shareholders in general meetings:

- (i) any amendments which are to the advantage of Participants in respect of matters contained in Rule 17.03 of the Listing Rules;
- (ii) any amendments to the terms and conditions of the New Share Option Scheme which are of a material nature or any amendments to the terms of any options granted, except those which will become effective automatically based on the current rules of the New Share Option Scheme;
- (iii) any amendments to the terms of options granted to a Grantee who is a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates. Such persons and their respective Connected Persons must abstain from voting on the resolution to approve such amendment; and
- (iv) any change to the authority of the Board in relation to any amendment of the rules of the New Share Option Scheme.

The amended terms of the New Share Option Scheme must continue to comply with the requirements of Chapter 17 of the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Hong Kong Stock Exchange.

**(X) CONDITIONS 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 Options in accordance with the terms of the New Share Option Scheme.

**(Y) VOTING AND OTHER RIGHTS**

No voting rights shall be exercisable and no dividends shall be payable in respect of Options that have not been exercised.

**(Z) COMPENSATION MECHANISM**

Under the New Share Option Scheme, if the Board considers that the resignation of a 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 resignation; or (iii) the end of the relevant Grantee's 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 business secrets to any third party; and (c) spreading false information about the Company), and the relevant Grantee has exercised the 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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**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 2019 at Tianshan Room, Level 5, Island Shangri-La Hong Kong, Pacific Place, Supreme Court Road, Central, 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 2018.
2. To declare a final dividend of HK\$0.30 per share for the year ended 31 December 2018.
3.
  - (a) To re-elect Mr. Ning Gaoning as a non-executive director of the Company.
  - (b) To re-elect Mr. John Law as a non-executive director of the Company.
  - (c) To re-elect Mr. Kuo Ming-Jian as a non-executive director of the Company.
  - (d) To re-elect Mr. Han Xiaojing as an independent non-executive director of the Company.
  - (e) To re-elect Mr. Liu Jialin as an independent non-executive director of the Company.
  - (f) To re-elect Mr. Cai Cunqiang as an independent non-executive director of the Company.
  - (g) To re-elect Mr. Yip Wai Ming as an independent non-executive director of the Company.
  - (h) 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.

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## NOTICE OF ANNUAL GENERAL MEETING

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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;
- (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;



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## NOTICE OF ANNUAL GENERAL MEETING

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- (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
  - (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

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## NOTICE OF ANNUAL GENERAL MEETING

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(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).”

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.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT** the share option scheme of the Company (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 6 May 2019, be hereby approved and adopted and the directors 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 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 and adjusting the composition of the Administration Committee and its terms of reference;
  - (c) modifying and/or amending the rules of the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange;
  - (d) 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 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 Options granted under the New Share Option Scheme.”

By Order of the Board  
**Far East Horizon Limited**  
**Ning Gaoning**  
*Chairman*

Hong Kong, 6 May 2019

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## NOTICE OF ANNUAL GENERAL MEETING

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*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 2019 (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 2019 to Wednesday, 5 June 2019, 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 2019 (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, 17 July 2019 to Friday, 19 July 2019, both dates inclusive, during which period no transfer of shares will be registered. The record date on which the shareholders of the Company are qualified to receive the proposed final dividend is Friday, 19 July 2019. 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, 16 July 2019 (Hong Kong time), being the last registration date.

*As at the date hereof, the executive directors of the Company are Mr. KONG Fanxing and Mr. WANG Mingzhe, the non-executive directors of the Company are Mr. NING Gaoning (Chairman), Mr. YANG Lin, Mr. LIU Haifeng David, Mr. KUO Ming-Jian, Mr. John LAW, and the independent non-executive directors of the Company are Mr. CAI Cunqiang, Mr. HAN Xiaojing, Mr. LIU Jialin and Mr. YIP Wai Ming.*