
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Horizon Construction Development Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the 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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宏信建設發展有限公司

HORIZON CONSTRUCTION DEVELOPMENT LIMITED

(Incorporated in the Cayman Island with limited liability)

(Stock Code: 9930)

- (1) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME;**
**(2) PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES;**
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(4) PROPOSED RE-APPOINTMENT OF AUDITOR;
**(5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND**
(6) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of the Company to be held at Emerald I & II, Level 8, The Ritz-Carlton Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong at 3:00 p.m. on Tuesday, 4 June 2024 is set out on pages 51 to 57 of this circular. A form of proxy for use at the AGM is also enclosed. Such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) and the Company (<https://www.hongxinjianfa.com>).

Whether or not you intend to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof (i.e. before 3:00 p.m. on Sunday, 2 June 2024). Completion and return of the form of proxy will not preclude you as a Shareholder from attending and voting in person at the AGM or at any adjourned meeting should you so wish.

2 May 2024

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DEFINITIONS

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

“Acceptance Date”	the date on which the Offer of any Share Option is accepted by a Participant, namely a date within 14 days after the Granting Date
“Administration Committee”	the committee formed by the members of the remuneration committee of the Board and two executive Directors, which has been authorized by the Board to operate, manage and implement the Share Option Scheme
“Adoption Date”	the date on which the Share Option Scheme is approved and adopted by the Shareholders of the Company;
“AGM”	the annual general meeting of the Company to be held at Emerald I & II, Level 8, The Ritz-Carlton Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong at 3:00 p.m. on Tuesday, 4 June 2024, to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 51 to 57 of this circular, or any adjournment thereof
“Articles of Association”	the third amended and restated memorandum and articles of association of the Company currently in force
“Board”	the board of directors of the Company
“business day”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Company”	Horizon Construction Development Limited (宏信建設發展有限公司), an exempted company incorporated with limited liability in the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange
“Company Act”	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Employee(s)”	employee(s) of the Company or any of its subsidiaries
“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares upon the exercise of Share Options under the Share Option Scheme
“Grant”, “Offer” or “Offer of Share Option(s)”	the grant of any Share Option under the Share Option Scheme
“Grantee(s)”	any Participant(s) who accepts the Offer of any Share Option in accordance with the Share Option Scheme Rules
“Granting Date”	in relation to any Share Option, the business day on which the Board resolves to grant Share Options to a Participant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Issuance Mandate(s)”	the general mandates proposed to be granted to the Directors to exercise the powers of the Company to (i) issue, allot and deal with additional Shares of not exceeding 20% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in the notice of the AGM as set out on pages 51 to 57 of this circular; and (ii) extend the mandates in (i) above by the total number of shares repurchased by the Company pursuant to the Repurchase Mandate
“Latest Practicable Date”	26 April 2024, being the latest practicable date for ascertaining certain information included herein before the printing of this circular
“Listing Date”	25 May 2023, being the date of listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Participant(s)”	any participant who meets the conditions of participation as set out in the Listing Rules and the Share Option Scheme

DEFINITIONS

“PRC”	the People’s Republic of China, but for the purposes of this circular only, excludes Hong Kong and Macau Special Administrative Regions of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the powers of the Company to repurchase Shares on the Stock Exchange of not exceeding 10% of the total number of issued Shares as at the date of passing of the proposed ordinary resolution contained in the notice of the AGM as set out on pages 51 to 57 of this circular
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) in the share capital of our Company with a par value of US\$0.00002 each
“Share Option(s)”	share option(s) to subscribe for Shares that may be granted under the Share Option Scheme from time to time
“Share Option Period”	the period during which any Share Option is exercisable as determined by the Board or the Administration Committee and notified to the Grantee thereof at the time of the Grant of the Share Option, which shall end no later than ten years after the Granting Date
“Share Option Scheme”	the Share Option Scheme proposed to be adopted by the Company, subject to the approval of the Shareholders at the AGM
“Share Option Scheme Rules”	rules of the Share Option Scheme
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission in Hong Kong, as amended from time to time
“%”	per cent

LETTER FROM THE BOARD



宏信建設發展有限公司

HORIZON CONSTRUCTION DEVELOPMENT LIMITED

(Incorporated in the Cayman Island with limited liability)

(Stock Code: 9930)

Executive Directors

Mr. PAN Yang (*Chief Executive Officer*)
Mr. TANG Li (*Co-Chief Financial Officer*)

Non-executive Directors

Mr. KONG Fanxing (*Chairman*)
Mr. XU Huibin
Mr. HE Ziming
Mr. LI Qianjin
Ms. GUO Lina

Independent Non-executive Directors

Mr. LIU Jialin
Mr. XU Min
Ms. JIN Jinping
Mr. SUM Siu Kei

Registered Office

P. O. Box 31119 Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman
KY1-1205 Cayman Islands

Principal Place of Business in Hong Kong

Room 1901, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

2 May 2024

To the Shareholders,

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE SHARE OPTION SCHEME;
(2) PROPOSED GRANT OF GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES;
(3) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
(4) PROPOSED RE-APPOINTMENT OF AUDITOR;
(5) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;
AND
(6) NOTICE OF ANNUAL GENERAL MEETING**

I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of certain resolutions to be proposed at the AGM for, including but not limited to, (i) the adoption of the Share Option Scheme; (ii) the grant of the Repurchase Mandate and the Issuance

LETTER FROM THE BOARD

Mandate to the Directors to repurchase and to issue new Shares, respectively; (iii) the re-election of retiring Directors; (iv) the re-appointment of auditor; and (v) the amendments to the Articles of Association, and to give the Shareholders notice of the AGM.

II. PROPOSED ADOPTION OF SHARE OPTION SCHEME

Reference is made to the announcement of the Company dated 12 March 2024 in relation to, among others, the proposed adoption of the Share Option Scheme. The Board has resolved and approved the proposed adoption of the Share Option Scheme pursuant to Chapter 17 of the Listing Rules on 12 March 2024, and the relevant ordinary resolution will be proposed at the AGM for Shareholders to consider and, if appropriate, to approve the adoption of the Share Option Scheme. The Board believes that the continued success of the Group is closely tied with the commitment and efforts of the Employees. The proposed adoption of the Share Option Scheme will serve as incentives to motivate the Employees to make further contributions to the Group.

The principal terms of the Share Option Scheme are set out in **Appendix I** to this circular. The full text of the Share Option Scheme will be (i) published on the Stock Exchange's website at <https://www.hkexnews.hk> and the Company's website at <https://www.hongxinjianfa.com> for a period of 14 days from the date of this circular (both days inclusive); and (ii) available for inspection at the AGM.

As at the Latest Practicable Date, the Company has not granted any Share Option under the Share Option Scheme. Further announcement will be made by the Company in accordance with all applicable requirements of the Listing Rules in due course if necessary.

Conditions of the Adoption of the Share Option Scheme

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

Purpose

The purpose is to reward the participants for their contribution to the Group and to encourage the participants to continue their efforts towards enhancing the value of the Company and its Shares in the interests of the Company and all its Shareholders as a whole.

LETTER FROM THE BOARD

Management

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

Maximum Limit

As approved by the Board and subject to the Shareholders' review and approval, the total number of new Shares in respect of which Share Options may be granted under the Share Option Scheme shall not exceed 1.5% of the Company's total issued Shares as at the date of approval of the proposed adoption of the Share Option Scheme by the Shareholders, which is 47,958,660 Shares (the "**Scheme Mandate Limit**"), assuming there is no change to the Company's total issued Shares during the period from the Latest Practicable Date to the date of the AGM to approve the Share Option Scheme. Save for the Share Option Scheme, there is no other existing share scheme involving issuance of new Shares by the Company as at the Latest Practicable Date. For the avoidance of doubt, in any event, the total number of Shares which may be issued in respect of all share options and awards to be granted under the Share Option Scheme and any other share schemes will not exceed 10% of the Company's total issued Shares as at the date of approval of the proposed adoption of the Share Option Scheme by the Shareholders.

The Company may, as the Board thinks fit, seek approval from the Shareholders to refresh the Scheme Mandate Limit. The total number of Shares that may be issued in respect of all share options and awards granted under all schemes (including the Share Option Scheme and other share schemes, if any) after the refreshment of the Scheme Mandate Limit shall not exceed 10% of the Company's total issued Shares as at the date on which the refreshment of the Scheme Mandate Limit is approved by the Shareholders of the Company, provided that such refreshment shall be at least 3 years after the date of approval and adoption or refreshment of the Scheme by Shareholders of the Company at the previous general meeting. If the Company proposes to make any refreshment during any 3-year period, it must seek Shareholders' approval and comply with Rule 17.03C(1)(b) of the Listing Rules.

The Company may convene another general meeting to seek approval from the Shareholders to grant Share Options which would exceed the Scheme Mandate Limit, provided that the number in excess of the limit may only be granted to those participants who have been specifically designated by the Company prior to obtaining such Shareholders' approval. The Share Options which have lapsed at the time of determining the Scheme Mandate Limit shall not be counted as used. If the Company conducts a share consolidation or sub-division after the approval of the Scheme Mandate Limit by the Shareholders at a general meeting, the maximum number of Shares which may be issued under all share options and awards to be granted under all schemes of the Company (including the Share Option Scheme and other share schemes, if any) in accordance with the Scheme Mandate Limit as a percentage of the total number of Shares in issue as at the date immediately before and after such consolidation or sub-division (rounded to the nearest whole Share) must be the same.

LETTER FROM THE BOARD

The maximum number of Shares which are issued and to be issued upon exercise of Share Options (including exercised and unexercised Share Options) by any Participant within any 12-month period must not exceed 1% of the then issued Shares (the “**Individual Limit**”). If the grant of a Share Option to a participant would result in the number of Shares issued and proposed to be issued under all share options and awards granted to that participant (excluding the lapsed options and awards under the terms of the scheme) within any twelve-month period up to and including the granting date of the Share Option exceeds 1% of the total number of Shares in issue, the Company shall convene a separate general meeting to seek Shareholders’ approval, at which the participant and his/her close associates (or his/her associates if the participant is a connected person) shall abstain from voting.

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

Participants and the Basis of Determining the Eligibility of Participants

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

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

LETTER FROM THE BOARD

Grant

Pursuant to the Share Option Scheme Rules, the Board or the Administration Committee shall, from time to time, have its sole discretion in selecting grantees and determining the number of Share Options to be granted in accordance with the Share Option Scheme Rules, after considering a number of factors that it considers appropriate for the Grant of Share Options under the Share Option Scheme. The terms of the Grant of Share Options may be determined by the Board of Directors or the Administration Committee in each of their sole discretion.

The Board or the Administration Committee may, in its sole discretion, when offering a Share Option, impose any conditions, restrictions or limitations in relation thereto in addition to (but not inconsistent with) the Share Option Scheme Rules as it may deem appropriate (as set out in the letter containing the grant of the offer of Share Option), including the performance, operating or financial targets to be achieved by the Company, the Company's subsidiary(ies) and/or the Grantee, certain conditions or obligations or performance targets to be met or satisfactorily performed by the Grantee who is granted a Share Option (including, as the case may be, his/her expertise, skills or experience, contribution to the Group, performance and synergies at work, achievement of performance targets), and the vesting time for the Grantee to exercise all or part of his/her Share Options. The performance targets may include (a) any measurable performance benchmark which the Board considers relevant to the Grantee, such as key performance indicators of respective department(s) and/or subsidiary(ies) that the Grantee belongs to, individual position, ranking, annual appraisal result and performance of the Grantee determined under the Company's employee performance evaluation system; (b) the Grantee's fulfilment of milestones with respect to, including but not limited to the business development of the Group; (c) annual results of the Company, annual growth on the revenue of the Group as compared to the immediately preceding financial year and performance of the Group; and/or (d) any other performance targets as the Board determines as appropriate.

The Board or the Administration Committee will conduct assessment by comparing the actual performance, operating or financial results of the Company, the Company's subsidiary(ies) and the actual performance of the Grantee with the pre-determined targets or individual performance indicators to determine whether or to what extent the performance targets have been met. Such pre-determined targets or individual performance indicators specified in the Share Option Offer letter may be set by the Board or the Administration Committee on a case by case basis with reference to factors including the specific position and role of the relevant Grantee, and the overall business plan, strategy and the expected financial performance of the Group in the relevant period. The performance targets will be deemed to be met when the actual level achieved reaches or exceeds the level of the pre-determined targets or individual performance indicators. The Board is of the view that the setting of performance targets provides sufficient motivation and incentives for the Grantees to improve their performance and to contribute to the overall development and business success of the Group. Therefore, the Board considers that such performance targets are consistent with the purpose of the Share Option Scheme and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

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

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange by the Company in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or for quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement of the Company. For the avoidance of doubt, no Share Option may be granted during any period of delay in publishing a results announcement, if any.

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

Vesting and Lapse

The vesting of Share Options granted under the Share Option Scheme is subject to the condition that the Company achieves 80% or more of the performance targets for the previous year (based on the budget targets approved by the Board for the previous year, including comprehensive assessment of relevant performance indicators such as operating income growth rate, profit before tax growth rate and average return on equity (ROE)) and other vesting conditions specified in Clause VII.(ii) to (viii) of the Share Option Scheme as set out in **Appendix I** to this circular. Upon the satisfaction of vesting conditions, and subject to the relevant provisions of the Share Option Scheme, the Share Options granted to the Participants are subject to a vesting scheme in tranches: (i) one third shall be vested on the first anniversary of the Granting Date, (ii) one third shall be vested on the second anniversary of the Granting Date, and (iii) the remaining shall be vested on the third anniversary of the Granting Date. The Company is of the view that the vesting scheme, in particular, the Share Options being evenly vested over three years, would encourage long-term contribution of the Grantees, which is in line with the purpose of the Share Option Scheme.

LETTER FROM THE BOARD

In respect of those Share Options granted but not yet vested, the Board or the Administration Committee may, in its sole discretion, in the event that particular incidents specified in the Share Option Scheme Rules occur, adjust the number of Share Options to which the relevant grantee is entitled to vest in the future. In the event that a grantee ceases to be a qualified Participant for reasons specified in the Share Option Scheme Rules, such person shall cease to be eligible to receive Share Options as a Participant in respect of the Share Option Scheme, and the grant of Share Options shall immediately and automatically lapse and all the granted Share Options shall not be vested on the vesting date. The Company is of the view that the aforesaid arrangement will provide the Company with more flexibility in setting the terms and conditions of the Share Options under the individual circumstances of each Grantee in order to attract and retain eligible Employees that are valuable to the long-term development of the Group and for the benefit of the Group and the Shareholders as a whole, which is in line with the purpose of the Share Option Scheme.

Exercise of Share Options

The Share Options granted under the Share Option Scheme are owned by the individual grantees and may not be transferred or assigned. The Share Options shall be exercised within the Share Option Period specified by the Board or the Administration Committee (which is no later than 10 years from the granting date of relevant Share Options). A Share Option will lapse automatically and not be exercisable (to the extent not exercised) on the earliest of:

- (i) the expiry of the Share Option Period (which shall end no later than ten years after the Granting Date);
- (ii) the dates relating to the occurrence of relevant no vesting event referred to in Clause VII of the Share Option Scheme as set out in Appendix I to this circular;
- (iii) the date on which a Grantee violates Clause VIII.(i) of the Share Option Scheme as set out in Appendix I to this circular;
- (iv) the dates relating to the occurrence of relevant no exercise event referred to in Clause VIII.(ii)(a) and Clause VIII.(ii)(d) of the Share Option Scheme as set out in Appendix I to this circular;
- (v) the expiry of any of exercise period referred to in Clause VIII.(ii)(b), Clause VIII.(ii)(c) and Clauses VIII.(ii)(e) to VIII.(ii)(j) of the Share Option Scheme as set out in Appendix I to this circular; and
- (vi) subject to Clause VIII.(ii)(j) of the Share Option Scheme as set out in Appendix I to this circular, the date of the commencement of the winding-up of the Company.

LETTER FROM THE BOARD

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

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

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

Ranking of Shares

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

Termination and Duration

Subject to any early termination, the Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is approved by the Shareholders of the Company. After the termination of the Share Option Scheme, no further Share Options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Share Options granted prior thereto which are at that time or become thereafter capable of exercise under the Share Option Scheme.

Compensation Mechanism

Under the Share Option Scheme, if the Board considers that the resignation of a relevant grantee (no matter whether the resignation is due to the Company's termination of the relevant grantee's employment out of reasons; or the relevant grantee's tender of his/her resignation; or the end of the employment contract without renewal) will significantly and adversely affect the Company's financial, operational or public reputation (including but not limited to the relevant grantee's (a) inciting any other Employees of the Company to resign from the Company or accept employment from other companies or organizations with the same or similar business as that of the Company; (b) revealing the Company's trade secrets to any third party; and (c)

LETTER FROM THE BOARD

spreading false information about the Company), and the relevant grantee has exercised the Share Options and received the Shares of the Company, then the Company has the right to require the relevant grantee to compensate the Company for the damages caused by the aforementioned behaviours.

Public Float

The Company will take appropriate measures to ensure compliance with the public float requirements as stipulated in the Listing Rules and/or as required by the Stock Exchange from time to time.

III. PROPOSED GRANT OF GENERAL MANDATE TO REPURCHASE SHARES

Given that the general mandate granted to the Directors to repurchase Shares at the general meeting of the Company held on 28 June 2023 will expire at the conclusion of the AGM, in order to give the Company the flexibility to repurchase Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to grant the Repurchase Mandate to the Directors.

Subject to the passing of the proposed ordinary resolution approving the grant of the Repurchase Mandate and based on 3,197,244,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares will be issued or no Shares will be repurchased and cancelled after the Latest Practicable Date and up to the date of the AGM, the Company will be allowed to buy back a maximum of 319,724,400 Shares, being 10% of the total number of the issued Shares as at the date of passing the resolution in relation thereto.

The Repurchase Mandate, if granted, will expire at the earliest of (a) the conclusion of the next annual general meeting unless renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions; or (b) the expiration of the period within which the Company is required by law or the Articles of Association to hold the next annual general meeting; or (c) the revocation, variation, or renewal of this general mandate by an ordinary resolution of the Shareholders in a general meeting of the Company.

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 grant of the Repurchase Mandate is set out in **Appendix II** to this circular.

LETTER FROM THE BOARD

IV. PROPOSED GRANT OF GENERAL MANDATE TO ISSUE, ALLOT AND DEAL WITH SHARES

Given that the general mandate granted to the Directors to issue, allot and deal with Shares at the general meeting of the Company held on 28 June 2023 will expire at the conclusion of the AGM, in order to give the Company the flexibility to issue Shares if and when appropriate, an ordinary resolution will be proposed at the AGM to grant the Issuance Mandate to the Directors.

Based on 3,197,244,000 Shares in issue as at the Latest Practicable Date and assuming that there will be no change in the number of issued Shares after the Latest Practicable Date and up to the date of the AGM, the Directors will be authorised to allot, issue and deal with up to a maximum of 639,448,800 Shares, being 20% of the total number of the issued Shares as at the date of passing the resolution in relation thereto if the Issuance Mandate is granted at the AGM.

In addition, an ordinary resolution will be proposed at the AGM to authorise the increase in the total number of new Shares which may be allotted and issued under the above Issuance Mandate by an additional number representing such number of Shares actually repurchased under the Repurchase Mandate.

The Issuance Mandate, if granted, will expire at the earliest of: (a) the conclusion of the next annual general meeting unless renewed by an ordinary resolution of the Shareholders in a general meeting, either unconditionally or subject to conditions; or (b) the expiration of the period within which the Company is required by law or the Articles of Association to hold the next annual general meeting; or (c) the revocation, variation, or renewal of this general mandate by an ordinary resolution of the Shareholders in a general meeting of the Company.

V. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

In accordance with Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. HE Ziming, Mr. LI Qianjin, Mr. XU Min and Ms. JIN Jinping shall retire at the AGM. All of the above retiring Directors, being eligible, will offer themselves for re-election at the AGM, at which an ordinary resolution for the re-election of each of the retiring Directors will be proposed at the AGM for Shareholders' approval.

Each of Mr. XU Min and Ms. Jin Jinping has been appointed as an independent non-executive Director since the Listing Date. They are eligible for re-election at the AGM and have confirmed their independence with reference to the factors set out in Rule 3.13 of the Listing Rules. The Board has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience,

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time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Board Diversity Policy and the policy for the nomination of Directors of the Company, and the independence of all independent non-executive Directors and has resolved on re-election of all the retiring Directors, including the aforesaid independent non-executive Directors who are due to retire at the AGM. The Company considers that the retiring independent non-executive Directors are independent in accordance with the independence guidelines set out in the Listing Rules and will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity.

Details of the retiring Directors proposed to be re-elected at the AGM are set out in **Appendix III** to this circular.

VI. PROPOSED RE-APPOINTMENT OF AUDITOR

In accordance with Article 29.2 of the Articles of Association, the Company shall at every annual general meeting by ordinary resolution appoint an auditor or auditors of the Company who shall hold office until the next annual general meeting. Accordingly, an ordinary resolution will be proposed at the AGM to re-appoint Ernst & Young as the external auditor of the Company to hold office from the conclusion of the AGM until the next annual general meeting and to authorize the Board to fix their remuneration for the year ending 31 December 2024. As Ernst & Young is relatively familiar with the Group's financials and affairs, the Board considers that the audit and other related work in respect of the Group for the year ending 31 December 2024 could be performed more efficiently by Ernst & Young, which is in the best interests of the Company and the Shareholders as a whole.

VII. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to amend the existing Articles of Association for the purposes of, among others, (i) updating and bringing the existing Articles of Association in line with the latest regulatory requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers and the relevant amendments made to the Listing Rules which took effect from 31 December 2023; and (ii) better aligning the amendments to the existing Articles of Association for house-keeping purposes with the Listing Rules and the applicable laws of the Cayman Islands (collectively, the “**Proposed Amendments**”). For the purposes of the Proposed Amendments, the Board proposed to adopt the fourth amended and restated articles of association which consolidates the Proposed Amendments in substitution for, and to the exclusion of the existing Articles in their entirety (the “**New Articles**”).

Details of the Proposed Amendments are set out in **Appendix IV** to this circular. A special resolution will be proposed at the AGM to approve the Proposed Amendments and the adoption of the New Articles.

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The Company has been advised by its legal advisers as to the Hong Kong laws that the Proposed Amendments will not affect the compliance of the memorandum and articles of association of the Company with the requirements of the Listing Rules in so far as they are applicable and the Company has been advised by its legal advisers as to Cayman Islands laws that the New Articles are not inconsistent with the laws of Cayman Islands, respectively. The Company also confirms that there is nothing unusual about the Proposed Amendments for a Cayman Islands company listed on the Stock Exchange. The Proposed Amendments and the proposed adoption of the New Articles are subject to consideration and approval by the Shareholders by way of a special resolution to be proposed at the AGM.

VIII. 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.

IX. AGM AND PROXY ARRANGEMENT

The notice of the AGM is set out on pages 51 to 57 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 AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

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

For determining the eligibility to attend and vote at the AGM, the register of members of the Company will be closed from Thursday, 30 May 2024 to Tuesday, 4 June 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the AGM, all transfer of Shares, accompanied by the relevant share

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certificates, must be lodged with the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 29 May 2024.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and the Company (<https://www.hongxinjianfa.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 Sunday, 2 June 2024. Completion and delivery of the form of proxy will not preclude you from attending and voting at the AGM if you so wish.

X. RECOMMENDATION

The Directors consider that the resolutions as set out in the notice of the AGM 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 AGM.

By order of the Board
Horizon Construction Development Limited
KONG Fanxing
Chairman

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

I. PURPOSE OF THE SHARE OPTION SCHEME

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

II. MANAGEMENT OF THE SHARE OPTION SCHEME

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

III. TERMINATION AND DURATION

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

IV. PARTICIPANTS OF THE SHARE OPTION SCHEME AND THE BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS

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

V. GRANT OF SHARE OPTIONS

- (i) Pursuant to the Share Option Scheme Rules, the Board or the Administration Committee shall, from time to time, have its sole discretion in selecting grantees and determining the number of Share Options to be granted in accordance with the Share Option Scheme Rules, after considering a number of factors that it considers appropriate for the Grant of Share Options under the Share Option Scheme. The terms of the Grant of Share Options may be determined by the Board of Directors or the Administration Committee in each of their sole discretion.
- (ii) The Board or the Administration Committee may, in its sole discretion, when offering a Share Option, impose any conditions, restrictions or limitations in relation thereto in addition to (but not inconsistent with) the Share Option Scheme Rules as it may deem appropriate (as set out in the letter containing the grant of the offer of Share Option), including the performance, operating or financial targets to be achieved by the Company, the Company's subsidiary(ies) and/or the Grantee, certain conditions or obligations or performance targets to be met or satisfactorily performed by the Grantee who is granted a Share Option (including, as the case may be, his/her expertise, skills or experience, contribution to the Group, performance and synergies at work, achievement of performance targets), and the vesting time for the Grantee to exercise all or part of his/her Share Options, provided that the terms and conditions shall not be inconsistent with any other terms of the Share Option Scheme.

The performance targets may include (a) any measurable performance benchmark which the Board considers relevant to the Grantee, such as key performance indicators of respective department(s) and/or subsidiary(ies) that the Grantee belongs to, individual position, ranking, annual appraisal result and performance of the Grantee determined under the Company's employee performance evaluation system; (b) the Grantee's fulfilment of milestones with respect to, including but not limited to the business development of the Group; (c) annual results of the Company, annual growth on the revenue of the Group as compared to the immediately preceding financial year and performance of the Group; and/or (d) any other performance targets as the Board determines as appropriate.

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

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

- (b) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or for quarterly or any other interim period (whether or not required under the Listing Rules),

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

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

VI. EXERCISE PRICE

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

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

VII. VESTING OF SHARE OPTIONS

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

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

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

- (ii) The vesting of Share Options granted under the Share Option Scheme is subject to the condition that the Company achieves 80% or more of the performance targets for the previous year (based on the budget targets approved by the Board for the previous year, including comprehensive assessment of relevant performance indicators such as operating income growth rate, profit before tax growth rate and average return on equity (ROE)).
- (iii) The vesting of Share Options is subject to the participant remaining at all times after the Granting Date and on the vesting date (as the case may be, on each relevant vesting date) a Participant of the Company or any subsidiary of the Company. For the avoidance of ambiguity, in the event of a participant ceasing to be a Participant by reason of death, all Share Options granted but not vested shall be deemed to be lapsed immediately on the date of his/her death.
- (iv) The corresponding granted but not vested Share Options may not be vested and shall lapse immediately on the vesting date if the following situations happen to the Grantee:
 - (a) employment has been terminated by the Company or any subsidiary of the Company for cause. For purposes of this paragraph and all other provisions of the Share Option Scheme, if any, relating to termination of employment for cause, cause means:
 - (1) dishonest conduct or gross misconduct, whether or not in connection with his/her employment; failure to observe or comply with his/her employment, agency or consultancy contract or non-competition clause with the Company or any subsidiary of the Company or any legitimate orders or instructions given by the Company or any subsidiary of the Company as the case may be;
 - (2) incompetence or negligence in the performance of his/her duties in the conclusive opinion of the Company or any subsidiary of the Company;
 - (3) any act in the conclusive opinion of the Company or any subsidiary of the Company adversely affecting his/her ability to perform his/her duties properly or causing damage to the Company or the Group;
 - (4) leaking the trade secrets or confidential information of the Company or any subsidiary of the Company; or

- (5) the occurrence of other circumstances under which the Company or any subsidiary of the Company, in its sole discretion, deems appropriate for termination of employment;
 - (b) has been dismissed immediately by the Company or any subsidiary of the Company or tendered his/her resignation, has not renewed his/her employment contract upon expiry, and has terminated his/her employment contract by mutual agreement prior to its expiry or due to his/her retirement;
 - (c) has been convicted for any criminal offence involving his/her integrity or honesty;
 - (d) has become bankrupt or failed to pay his/her debts within a reasonable time after they become due or has made any arrangement or composition with his/her creditors generally; or
 - (e) has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws, regulations or rules in force from time to time.
- (v) The Company has the sole discretion to determine the adjustment to the number of the Share Options to be vested in the future in relation to his/her Share Options granted but not vested if a Grantee, including but not limited to reduction or reduction to nil:
- (a) has achieved grade C or below in the performance appraisal for the previous year;
 - (b) is reduced in rank within the Group for cause;
 - (c) is subject to internal punishment by the Group for cause; or
 - (d) there are other circumstances in which the Company, in its sole discretion, finds it necessary to consider whether or not to make adjustments to the number of Shares in respect of the Share Options granted.

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

Save for the clawback mechanisms in the event as set out in paragraphs (iv) and (v) above, there is no clawback mechanism for the Company to recover or withhold any Share Options granted to any Participant. The Board is of the view that with the clawback mechanism in place, the Company would be able to claw back the incentives granted to the Grantees who, for example, is culpable of dishonest conduct, gross misconduct, incompetence or negligence in performing his/her duties or otherwise cause damage to the Company, which is in line with the purpose of the Share Option Scheme and the interest of Shareholders in general.

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

VIII. EXERCISE OF SHARE OPTIONS

- (i) The Share Options granted under the Share Option Scheme shall belong to the respective Grantees and shall not be assigned or transferred, and no Grantee shall enter into any agreement with any other person to sell, assign, pledge, charge or encumber any interest in the Share Options, transfer the right to income or create any interest in any way for the benefit of any other person or have any agreement or arrangement in respect of the foregoing in favour of any person. In the event that the Grantee violates the above provisions (whether voluntarily or involuntarily), the relevant Share Options will lapse immediately, for which the Company shall not be held liable.
- (ii) Subject to the following provisions, a Grantee (for the purposes of item (b) of this clause, his/her successor or legal representative) may exercise a Share Option during the Share Option Period:
 - (a) If the Share Option Offer letter issued by the Company to a Participant who has been granted a Share Option clearly sets out the requirements and conditions for the vesting period, the Grantee must not exercise the Share Option until the relevant Share Option is vested;
 - (b) If the Grantee passes away or becomes permanently disabled before the exercise of the vested Share Options (or before fully exercising the Share Options), the Grantee (or his/her successor or legal representative) may exercise his/her vested but unexercised Share Options within the scope of his/her entitlements in respect of the Share Options within 90 days after his/her death or permanent disabilities, or such longer period as the Board or the Administration Committee may determine;
 - (c) If the Grantee retires according to the retirement scheme applicable to the Group at the relevant time and ceases to serve in the Group, and accordingly ceases to be qualified as a Participant, his/her vested but unexercised Share Options will remain exercisable before expiry of the Share Option Period;
 - (d) If the Grantee ceases to be qualified as a Participant due to his/her resignation, non-renewal of his/her employment contract upon its expiry, termination of his/her employment contract by mutual agreement prior to its expiry, or termination of his/her employment for cause or other circumstances as set out in Clause VII.(vi) above, his/her vested but unexercised Share Options will lapse on the date on which the resignation notice is served (in case of resignation), or on the date on which the Board decides to terminate his/her employment (in case of termination of employment for cause) or on the date on which any circumstance as set out in Clause VII.(vi) above (in case of other circumstances as set out in Clause VII.(vi) above) occurs;

- (e) If the Grantee ceases to be qualified as a Participant for various reasons (including when the company by which he/she is employed ceases to be a member of the Group) other than death, permanent disabilities, retirement according to the retirement scheme applicable to the Group at the relevant time, cessation of employment by a member of the Group due to his/her resignation, non-renewal of his/her employment contract upon its expiry, termination of his/her employment contract by mutual agreement prior to its expiry, or termination of his/her employment for cause, the vested but unexercised Share Options of the Grantee must be exercised within 90 days after the occurrence of any event disqualifying the Grantee as a Participant, unless otherwise determined by the Board or the Administration Committee;
- (f) If:
- (1) the Board or the Administration Committee determines that the Grantee ceases to be qualified as a Participant in its sole discretion at any time;
or
 - (2) the Grantee fails or ceases to meet or comply with the standards or terms incidental to or upon which the Share Options were offered,

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

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

unless otherwise determined by the Board or the Administration Committee, the vested but unexercised Share Options of the Grantee will lapse and not be exercisable on the date of criminal conviction or breach of contract by the Grantee as mentioned above. As otherwise determined by the Board or the Administration Committee, the vested but unexercised Share Options of the Grantee shall be exercisable within a period following the occurrence of the aforesaid events as determined by the Board or the Administration Committee in its sole discretion. The decision of the Board or the Administration Committee which determines lapse of the Share Options of the Grantee due to the breach of contract as mentioned above in accordance with this Clause (g) herein shall be final and conclusive;

- (h) If the Board or the Administration Committee becomes aware that the right to cast more than 50% of the votes which may ordinarily be cast on a poll at a general meeting of the Company has or will become vested in the offeror, any company controlled by the offeror or any person associated with or acting in concert with the offeror as a result of any general offer made to the holders of Shares ("General Offer"), the Board or the Administration Committee will notify each Grantee thereof as soon as possible after becoming so aware. On the earlier of (1) the date on which the Board or the Administration Committee notify the Grantee as mentioned above; and (2) the date on which the person making the offer obtains control of the Company, each Grantee will be entitled to exercise his/her Share Options (to the extent already vested, but not exercised) within ten business days starting on the later of the abovementioned dates. All Share Options not exercised before the expiry of such period will lapse;
- (i) In the event of a proposed scheme of debt settlement agreement or arrangement by the Company and its Shareholders or creditors for the purpose of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, the Company shall give notice to each Grantee on the same date as it gives notice of the meeting to all its Shareholders or creditors to consider such a settlement agreement or arrangement. Each Grantee may at any time thereafter, but before such time as shall be notified by the Company, exercise all or any of his/her Share Options (to the extent already vested, but not exercised), and subject to the Company receiving the notice of exercise and the Total Subscription Payment, the

Company shall allot, issue and register under the name of the relevant Share Option holder such number of fully paid Shares which fall to be issued on exercise of such Share Options as soon as possible and in any event no later than the last business day immediately prior to the date of the proposed general meeting. Any Share Option not exercised within the notice period of the Company will lapse;

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

IX. LAPSE OF SHARE OPTIONS

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

- (i) the expiry of the Share Option Period (which shall end no later than ten years after the Granting Date);
- (ii) the dates relating to the occurrence of relevant no vesting event referred to in Clause VII above;
- (iii) the date on which a Grantee violates Clause VIII.(i) above;
- (iv) the dates relating to the occurrence of relevant no exercise event referred to in Clause VIII.(ii)(a) and Clause VIII.(ii)(d) above;

- (v) the expiry of any of exercise period referred to in Clause VIII.(ii)(b), Clause VIII.(ii)(c) and Clauses VIII.(ii)(e) to VIII.(ii)(j) above; and
- (vi) subject to Clause VIII.(ii)(j) above, the date of the commencement of the winding-up of the Company.

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

X. CANCELLATION OF SHARE OPTIONS

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

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

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

XI. MAXIMUM NUMBER OF SHARES TO BE ISSUED

- (i) The number of Shares to be issued in respect of which Share Options may be granted under the Share Option Scheme shall not exceed 1.5% of the Company's total issued Shares as at the date of approval of the Share Option Scheme at the general meeting (the "**Scheme Mandate Limit**"), which is 47,958,660 Shares, assuming there is no change to the Company's total issued shares from the Latest Practicable Date to the date of convening the AGM approving the Share Option Scheme, provided that:
- (a) the Company may convene a general meeting to seek approval from the Shareholders to refresh the Scheme Mandate Limit, provided that such meeting shall be convened at least 3 years after the date of approval and adoption or refreshment of the scheme by Shareholders at the general meeting. If the Company intends to make any refreshment within any 3-year period, save for the circumstances as stipulated under Rule 17.03C(1)(c) of the Listing Rules, it shall seek for Shareholders' approval and meet the following requirements: (i) any controlling shareholders and their associates (or if there is no controlling shareholder, directors (excluding independent non-executive Directors) and the chief executive and their respective associates) shall abstain from voting; (ii) the Company shall comply with relevant requirements on general meeting under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules;
- (b) the total number of Shares to be issued under all share options and awards granted under all share schemes of the Company upon the refreshment of the Scheme Mandate Limit shall not exceed 10% of the issued Shares of the Company as at the date of approval of the refreshment of the Scheme Mandate Limit. The Company shall deliver to the Shareholders a circular containing data and details as required by the Listing Rules (including the number of Share Options granted under the Scheme Mandate Limit prior to the refreshment and the reasons for the Scheme refreshment); and
- (c) the Company may convene another general meeting to seek approval from the Shareholders to grant Share Options which would exceed the Scheme Mandate Limit, provided that the Share Options exceeding the limit can only be granted to specific Participant as selected prior to Shareholders' approval. The Company shall deliver to the Shareholders a circular containing data and details as required by the Listing Rules (including the name of each designated Participant to be granted with such Share Options, the number of Share Options and terms for Grant of Share Options to each Participant, the purposes of granting Share Options to designated Participants and the explanation on how the terms of the Share Options can achieve such purposes). The number of the Share Options to be granted and the terms of the Grant of Share Options

to such Participant must be fixed before the Shareholders' approval, and the date of the Board meeting approving such further Grant shall be taken as the Granting Date for the purpose of determining the Exercise Price of the Share Options.

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

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

XII. CAPITAL RECONSTRUCTION

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

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

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

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

XIII. ALTERATION OF THE SHARE OPTION SCHEME

- (i) The following alterations to the Share Option Scheme are subject to Shareholders' approval by way of ordinary resolution at a general meeting:
 - (a) alterations to the terms and conditions of the Share Option Scheme which are of a material nature;
 - (b) alterations to the provisions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Participants; and
 - (c) alterations to be made pursuant to the clause in relation to alteration of the Share Option Scheme, especially for those involve the authority of the Board or the Administration Committee to alter the terms under the Share Option Scheme.
- (ii) Any change to the terms of Share Options granted to a Participant must be approved by the Board, the Administration Committee, the independent non-executive Directors or the Shareholders (as the case may be) if the initial Grant of the Share Options was approved by the Board, the Administration Committee, the independent non-executive Directors or the Shareholders (as the case may be). Any alterations to the terms and provisions of Share Options granted to any Participant including a Director, chief executive or substantial shareholder of the Company or their respective associates must be subject to Shareholders' approval if the initial Grant of the related Share Options was subject to Shareholders' approval. This clause shall not apply where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (iii) The above amended terms of the Share Option Scheme must comply with Chapter 17 of the Listing Rules.
- (iv) Subject to the fulfilment of Clause (i) and Clause (ii) above, the terms under the Share Option Scheme can be amended by a Board resolution. For other matters that are out of the scope of Clause (i) and Clause (ii) above, the Board is entitled to make alteration.

XIV. COMPENSATION MECHANISM

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

XV. CONDITION PRECEDENT OF THE SHARE OPTION SCHEME

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

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 AGM in relation to the granting of the Repurchase Mandate.

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1. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 3,197,244,000 Shares.

Subject to the passing of the ordinary resolution set out in resolution 3 of the notice of the AGM in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the AGM, i.e. 3,197,244,000 Shares, the Directors would be authorized under the Repurchase Mandate to repurchase, during the period in which the Repurchase Mandate remains in force, a total of 319,724,400 Shares, representing 10% of the total number of Shares in issue as at the date of the AGM.

2. REASONS FOR SHARE REPURCHASE

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

3. FUNDING OF SHARE REPURCHASE

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association, and the applicable laws of the Cayman Islands, or, if authorized by the Articles of Association and subject to the Company Act, out of capital of the Company, and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company before or at the time the Shares are repurchased in the manner provided for in the Company Act.

4. IMPACT OF SHARE REPURCHASE

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited consolidated financial statements of the Company for the year ended 31 December 2023) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing levels of the Company 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 in each of the calendar months during the period commencing from the Listing Date and up to and including the Latest Practicable Date were as follows:

	Highest <i>HKD</i>	Lowest <i>HKD</i>
May 2023 (since the Listing Date)	3.74	2.35
June 2023	3.19	2.40
July 2023	2.92	2.42
August 2023	3.18	2.50
September 2023	4.93	2.79
October 2023	4.49	3.58
November 2023	4.40	3.12
December 2023	4.60	3.40
January 2024	4.65	2.01
February 2024	2.87	2.36
March 2024	2.48	1.25
April 2024 (up to and including the Latest Practicable Date)	2.10	1.41

6. GENERAL

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

The Directors will exercise the power of the Company to repurchase Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. In addition, the Company has confirmed that neither the explanatory statement nor the proposed share repurchase has any unusual features.

7. TAKEOVERS CODE

If, as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of such increase.

To the best knowledge of the Company, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

8. SHARE REPURCHASE MADE BY THE COMPANY

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

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

NON-EXECUTIVE DIRECTORS

(1) Mr. HE Ziming

Mr. HE Ziming (何子明先生) (“**Mr. He**”), aged 68, is a non-executive Director and a member of the Environmental, Social and Governance Committee of the Company. Mr. He has been the executive director and the general manager of Shanghai LanJin Stone Decoration Co., Ltd.* (上海藍金石材裝飾有限公司), a company principally engaged in the production and sales of stone, since March 1998, the general manager and an executive director of Shanghai Lanjin Construction Machinery Leasing Co., Ltd. (上海藍金建築機械租賃有限公司), a company principally engaged in the machinery and leasing, since March 2004, the consultant of the strategic center of Far East Horizon Limited (“**Far East Horizon**”) since January 2020.

Mr. He has over 23 years of experience in corporate operations management. From May 2013 to December 2018, Mr. He served as the special consultant to the general manager of the construction group of Far East Horizon, where he was primarily responsible for engineering and construction operations. From December 2018 to December 2019, Mr. He served as, the deputy general manager of Shanghai Zhenjing Industrial Development Co., Ltd. (上海臻璟實業發展有限公司), a company principally engaged in property and consulting, where he was primarily responsible for engineering and construction operation. From July 2013 to December 2018, Mr. He served as the general manager of Shanghai Hongjin Equipment & Engineering Co., Ltd (“**Shanghai Hongjin Equipment & Engineering**”). Mr. He served as a director of Shanghai Horizon Construction Development Co., Ltd. (“**Shanghai Horizon Construction Development**”) from March 2020 to March 2021.

Mr. He obtained a college diploma with a major in electronics from Shanghai Television University (上海電視大學) (currently known as Shanghai Open University (上海開放大學)) in the PRC in February 1982. Mr. He was appointed as the vice president of the association of socket-type ringlock scaffold in China (中國承插型盤扣式腳手架品質聯盟), a member of the standards committee (標準委員會) and the vice president of the green development branch concerning China building aluminum alloy formwork (中國建築鋁合金模板綠色發展分會) under China Construction Materials Rental Contractor Association (中國基建物資租賃承包協會) in March 2016, November 2016 and December 2017, respectively. In 2016 and 2017, Mr. He was awarded as the top ten influential figures in China’s construction materials leasing and contracting industry.

Save as disclosed above, Mr. He (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 shareholders (as defined in the Listing Rules) of the Company; and (4) does not hold any other position within the Company or any of its subsidiaries.

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

(i) **Interest in the Company:**

Name of director	Capacity/nature of interest	Total number of ordinary Shares⁽¹⁾	Approximate percentage of interest⁽²⁾
HE Ziming	Beneficial owner	2,737,667 (L)	0.09%
	Interest in a controlled corporation	176,682,519 (L) ⁽³⁾	5.53%
	Interest of spouse	30,454,889 (L) ⁽⁴⁾	0.95%
Total	–	209,875,075 (L)	6.56% ⁽⁵⁾

Notes:

- (1) The letter “L” denotes the person’s long position in the shares of the Company.
- (2) The percentage is calculated on the basis of 3,197,244,000 Shares in issue of the Company as at the Latest Practicable Date.
- (3) Farsighted Wit Limited is wholly owned by Tianjin Hongjian Enterprise Management Consulting Center (Limited Partnership) (“**Tianjin Hongjian**”). The limited partner of Tianjin Hongjian holding over one third of partnership interest in Tianjin Hongjian is Tianjin Lanjin Enterprise Management Consulting Center (Limited Partnership), which is controlled by Tianjin Hongsheng Leasing Co., Ltd. (“**Tianjin Hongsheng**”) as general partner and owned as to over one third of partnership interest by Mr. HE Ziming as limited partner. In addition, Shanghai Lanjin Stone Decoration Co., Ltd. is wholly owned by Mr. HE Ziming. Accordingly, Mr. HE Ziming is deemed to be interested in the 176,682,519 Shares held by Farsighted Wit Limited and Shanghai Lanjin Stone Decoration Co., Ltd. for the purpose of Part XV of the SFO.
- (4) Ms. LIU Lifang, the spouse of Mr. HE Ziming, holds the Shares through Lanjin Limited, which was incorporated in the British Virgin Islands as an exempted company with limited liability and is wholly owned by Ms. LIU Lifang.
- (5) Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

(ii) Interests in the Shares or Underlying Shares of Associated Corporations of the Company:

Name of director	Name of associated corporation	Nature of interest	Number of shares/underlying shares ⁽¹⁾	Approximate percentage of interest in shares/underlying shares of associated corporation ⁽²⁾
HE Ziming	Far East Horizon	Beneficial owner	1,513,000 (L)	0.04%
		Interest of spouse	2,832,000 (L)	0.07%
		Interest in a controlled corporation	2,201,000 (L)	0.05%
Total	–	–	6,546,000 (L)	0.15% ⁽³⁾

Notes:

- (1) The letter “L” denotes long position in the ordinary shares.
- (2) The percentage is calculated on the basis of 4,315,135,866 Shares in issue of Far East Horizon as at the Latest Practicable Date.
- (3) Any difference in the total amount and the sum of the breakdowns in the above table is due to rounding.

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

Mr. He has entered into a service agreement with the Company for a term of three years and is subject to retirement and re-election at the AGM in accordance with the Articles of Association. Under the service agreement, the Company shall pay HK\$420,000 p.a. as Director’s fee to Mr. He, which was determined with reference to his duties and responsibilities and reviewed annually by the remuneration and nomination committee of the Board. Mr. He is also entitled to a bonus payment at the discretion of the Board, which will be determined with reference to the Group’s remuneration policy, the performance of the Company and the Director in any financial year.

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

(2) Mr. LI Qianjin

Mr. LI Qianjin (李前進先生) (“Mr. Li”), aged 52, is a non-executive Director of the Company. Mr. Li obtained a college diploma with a major in Machinery Technology and Equipment from Zhengzhou Industrial College (鄭州工業高等專科學校) (currently known as Henan University of Technology) in July 1994, an in-service bachelor’s diploma with a major in Management Engineering from China University of Mining and Technology (中國礦業大學) in June 2005, a master’s degree in Business Administration from Xi’an University of Architecture and Technology (西安建築科技大學) in June 2014.

Mr. Li has over 29 years of experience in construction machinery operations and management. After joining XCMG Group Construction Machinery Co., Ltd. (徐工集團工程機械股份有限公司) (“XCMG Group”) (a company listed on the Main Board of the Shenzhen Stock Exchange, stock code: 000425) in August 1994, Mr. Li has been working in the company since then. During his service, Mr. Li successively served as a designer, engineer, chief, manager and director in Xuzhou Heavy Machinery Factory (徐州重型機械廠); the deputy director (in charge of work) and the director of technology cooperation department (工藝協作部), the director of manufacturing department of Jinshan bridge manufacturing base (金山橋製造基地), the director of construction and manufacturing department and assistant to general manager, and the deputy general manager of Xuzhou Heavy Machinery Co., Ltd. (徐州重型機械有限公司); the deputy general manager of Xuzhou XCMG Schwing Machinery Co., Ltd. (徐州徐工施維英機械有限公司); the general manager and deputy secretary of Party committee of XCMG Brazil Manufacturing Co., Ltd. (徐工巴西製造有限公司), the general manager and deputy secretary of Party committee of XCMG Fire-Fighting Safety Equipment Co., Ltd. (徐工消防安全裝備有限公司). Mr. Li has been the assistant to general manager of XCMG Group since January 2022, the general manager and the secretary of the Party committee of XCMG Fire-Fighting Safety Equipment Co., Ltd. (徐工消防安全裝備有限公司) since January 2022.

Mr. Li was also granted the qualification of senior engineer (正高級工程師) by Jiangsu Mechanical Engineering Senior Professional Technique Qualification Evaluation Committee (江蘇省機械工程高級專業技術資格評審委員會) in November 2019.

Save as disclosed above, Mr. Li (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 shareholders (as defined in the Listing Rules) of the Company; and (4) does not hold any other position within the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Li did not have or was not deemed to have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Li has entered into a service agreement with the Company for a term of three years and is subject to retirement and re-election at the AGM in accordance with the Articles of Association. Mr. Li will not receive any remuneration as a non-executive Director.

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

INDEPENDENT NON-EXECUTIVE DIRECTORS

(1) Mr. XU Min

Mr. XU Min (“**Mr. XU**”), aged 60, is an independent non-executive Director, the chairman of the Audit Committee and a member of Environmental, Social and Governance Committee. Mr. Xu obtained a bachelor’s degree in science with a major in geography from East China Normal University (華東師範大學) in July 1985 and a master’s degree in arts with a major in urban geography from the University of Toronto in Canada in March 1989.

Mr. Xu has over 25 years of experience in accounting. Mr. Xu joined KPMG (“**KPMG**”) in December 1997, and worked at this company since then. Mr. Xu was engaged in auditing at KPMG Shanghai; he was engaged in the M&A financial advisory business in KPMG Shanghai, Hangzhou and Beijing, and became a partner of KPMG China in 2005. From October 2010 to June 2015, Mr. Xu acted as the private equity fund leading partner of KPMG China, in charge of the M&A financial advisory business of KPMG’s northern region. From April 2015 to September 2018, Mr. Xu led the advisory business in M&A and restructuring, strategy, risk management and other areas of KPMG’s northern region of China. From April 2015 to July 2020, Mr. Xu served as the legal representative of Beijing Branch of KPMG Enterprise Consulting (China) Co., Ltd. (畢馬威企業諮詢(中國)有限公司北京分公司), where he was primarily responsible for corporate operations and management. From May 2018 to September 2020, Mr. Xu served as a managing partner of northern China region of KPMG, where he was primarily responsible for market strategy and daily operations management.

Mr. Xu was also certified as a chartered accountant by The Institute of Chartered Accountants of Ontario, Canada in December 1996 and a merger and acquisition dealer by the China Mergers and Acquisitions Association (中國併購公會) in February 2015.

Save as disclosed above, Mr. Xu (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 shareholders (as defined in the Listing Rules) of the Company; and (4) does not hold any other position within the Company or any of its subsidiaries.

As at the Latest Practicable Date, Mr. Xu did not have or was not deemed to have any other interests or short positions in the Shares or underlying Shares of the Company or its associated corporations pursuant to Part XV of the SFO.

Mr. Xu has entered into an appointment letter with the Company for a term of three years and is subject to retirement and re-election at the AGM in accordance with the Articles of Association. Under the appointment letter, the Company shall pay HK\$420,000 p.a. as Director’s fee to Mr. Xu, which was determined with reference to his duties and responsibilities and reviewed annually by the remuneration and nomination committee of the Board.

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

(2) Ms. JIN Jinping

Ms. JIN Jinping (金錦萍女士) (“**Ms. Jin**”), aged 51, is an independent non-executive Director, the chairman of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee of the Company. Ms. Jin obtained a bachelor’s degree in Economic Law from Peking University in the PRC in July 1995, a master’s degree in Civil and Commercial Law from Peking University in the PRC in July 2001, and a doctorate degree in Civil and Commercial Law from Peking University in the PRC in June 2004.

Ms. Jin has over 24 years of experience in law. Ms. Jin has served as an associate professor of Peking University Law School and director of the Non-profit Organization Law Research Center of the Law School since September 2006. She has served as an independent director of Beijing Orient Zhongke Integration Technology Co., Ltd. (北京東方中科集成科技股份有限公司) (a company listed on the Main Board of the Shenzhen Stock Exchange stock, stock code: 002819) since July 2018, an independent director of Beijing UCAS Technology Co., Ltd. (北京國科環宇科技股份有限公司) from December 2018 to December 2023, an independent director of China Automotive Engineering Research Institute Co., Ltd. (中國汽車工程研究院股份有限公司) (a company listed on the Main Board of the Shanghai Stock Exchange, stock code: 601965) since January 2020 and an independent Non-executive Director of Sichuan Kelun-Biotech Biopharmaceutical Co., Ltd. (四川科倫博泰生物醫藥股份有限公司) since July 2023 (a company listed on the Main Board of the Stock Exchange, stock code: 6990).

Ms. Jin also obtained a lawyer qualification granted by the Ministry of Justice of the PRC in June 1997 and higher education teacher qualification granted by the Beijing Municipal Education Commission in December 2008. Ms. Jin has served as a director of the Chinese Red Cross Foundation since September 2016.

Save as disclosed above, Ms. Jin (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 shareholders (as defined in the Listing Rules) of the Company; and (4) does not hold any other position within the Company or any of its subsidiaries.

As at the Latest Practicable Date, Ms. Jin 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.

Ms. Jin has entered into an appointment letter with the Company for a term of three years and is subject to retirement and re-election at the AGM in accordance with the Articles of Association. Under the appointment letter, the Company shall pay HK\$420,000 p.a. as Director's fee to Ms. Jin, which was determined with reference to her duties and responsibilities and reviewed annually by the remuneration and nomination committee of the Board.

Save as disclosed above, there is no information which is disclosable nor is Ms. Jin 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 Ms. Jin that need to be brought to the attention of the Shareholders in relation to her re-election.

Details of proposed amendments to the Articles of Association are set out as follows:

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
<p>THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF Horizon Construction Development Limited 宏信建設發展有限公司 (conditionally adopted by special resolution passed on 11 April 2023 and effective on 25 May 2023)</p>	<p>THE COMPANIES ACT (AS REVISED) OF THE CAYMAN ISLANDS COMPANY LIMITED BY SHARES <u>FORTH</u> AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION OF Horizon Construction Development Limited 宏信建設發展有限公司 (adopted by special resolution passed on <u>4 June 2024</u>)</p>
<p>2.2 In these Articles, unless there be something in the subject or context inconsistent therewith: ...</p>	<p>2.2 In these Articles, unless there be something in the subject or context inconsistent therewith: ... <u>“Corporate Communication”</u> has the same meaning as in the Listing Rules.</p>

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
<p>3.6 Subject to the Companies Act, or any other law or so far as not prohibited by any law or the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire any of its own shares (which expression as used in this Article includes redeemable shares) provided that (a) the manner of purchase has first been authorised by an ordinary resolution, and (b) any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise acquired rateably or in any other manner as between the holders of shares or warrants of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</p>	<p>3.6 Subject to the Companies Act, or any other law or so far as not prohibited by any law or the Listing Rules and subject to any rights conferred on the holders of any class of shares, the Company shall have the power to purchase or otherwise acquire any of its own shares (which expression as used in this Article includes redeemable shares) provided that (a) the manner of purchase has first been authorised by an ordinary resolution, and (b) any such purchase shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force, and to purchase or otherwise acquire warrants for the subscription or purchase of its own shares, and shares and warrants for the subscription or purchase of any shares in any company which is its holding company and may make payment therefor in any manner authorised or not prohibited by law, including out of capital, or to give, directly or indirectly, by means of a loan, a guarantee, a gift, an indemnity, the provision of security or otherwise howsoever, financial assistance for the purpose of or in connection with a purchase or other acquisition made or to be made by any person of any shares or warrants in the Company or any company which is a holding company of the Company and should the Company purchase or otherwise acquire its own shares or warrants neither the Company nor the Board shall be required to select the shares or warrants to be purchased or otherwise of the same class or as between them and the holders of shares or warrants of any other class or in accordance with the rights as to dividends or capital conferred by any class of shares provided always that any such purchase or other acquisition or financial assistance shall only be made in accordance with any relevant code, rules or regulations issued by the Exchange or the Securities and Futures Commission of Hong Kong from time to time in force.</p>

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
<p>4.8 The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article.</p>	<p>4.8 The register may, on 10 business days' notice (or on 6 business days' notice in the case of a rights issue) being given by advertisement published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers, be closed at such times and for such periods as the Board may from time to time determine, either generally or in respect of any class of shares, provided that the register shall not be closed for more than 30 days in any year (or such longer period as the members may by ordinary resolution determine provided that such period shall not be extended beyond 60 days in any year). The Company shall, on demand, furnish any person seeking to inspect the register or part thereof which is closed by virtue of these Articles with a certificate under the hand of the Secretary stating the period for which, and by whose authority, it is closed. In the event that there is an alteration of book closure dates, the Company shall give at least 5 business days' notice in accordance with the procedures set out in this Article and the Listing Rules.</p>
<p>6.3 A copy of the notice referred to in Article 6.2 shall be sent in the manner in which notices may be sent to members by the Company as herein provided.</p>	<p>6.3 A copy of the notice referred to in Article 6.2 shall be sent in the manner in which notices may be sent to members by the Company as provided in Article 30.1.</p>

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
<p>6.5 In addition to the giving of notice in accordance with Article 6.3, notice of the person appointed to receive payment of every call and of the times and places appointed for payment may be given to the members affected by notice published on the Exchange's website, or, subject to the Listing Rules, by electronic communication in the manner in which notices may be served by the Company by electronic means as herein provided or by advertisement published in the newspapers.</p>	<p>Deleted</p>
<p>30.1 Except as otherwise provided in these Articles, any notice or document may be served by the Company and any notices may be served by the Board on any member either personally or by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register or, to the extent permitted by the Listing Rules and all applicable laws and regulations, by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company or by placing it on the Company's Website provided that the Company has obtained either (a) the member's prior express positive confirmation in writing or (b) the member's deemed consent, in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by such electronic means, or (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules. In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.</p>	<p>30.1 Except as otherwise provided in these Articles, any notice or document, <u>including any Corporate Communication</u>, may be served by the Company and any notices may be served by the Board on any member <u>in any of the following manner to the extent permitted by, and in compliance with the requirements of, the Listing Rules:</u></p> <p>(a) <u>personally by leaving it at the registered address of such member as appearing in the register;</u></p> <p>(b) <u>by sending it through the post in a prepaid letter addressed to such member at his registered address as appearing in the register (which shall be sent by airmail where the notice or document is posted from one country to another);</u></p> <p>(c) by electronic means by transmitting it to any electronic number or address or website supplied by the member to the Company;</p> <p>(d) <u>by placing it on the Company's Website and the Exchange's website;</u> <u>or</u></p> <p>(e) (in the case of notice) by advertisement published in the manner prescribed under the Listing Rules.</p> <p>In the case of joint holders of a share, all notices shall be given to that holder for the time being whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders.</p>

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
<p>30.4 A member shall be entitled to have notice served on him at any address within Hong Kong. Any member who has not given an express positive confirmation in writing to the Company in the manner specified in the Listing Rules to receive or otherwise have made available to him notices and documents to be given or issued to him by the Company by electronic means and whose registered address is outside Hong Kong may notify the Company in writing of an address in Hong Kong which for the purpose of service of notice shall be deemed to be his registered address. A member who has no registered address in Hong Kong shall be deemed to have received any notice which shall have been displayed at the transfer office and shall have remained there for a period of 24 hours and such notice shall be deemed to have been received by such member on the day following that on which it shall have been first so displayed, provided that, without prejudice to the other provisions of these Articles, nothing in this Article shall be construed as prohibiting the Company from sending, or entitling the Company not to send, notices or other documents of the Company to any member whose registered address is outside Hong Kong.</p>	Deleted

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
<p>30.5 Any notice or document sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof.</p>	<p>30.4 Any notice or document, including any Corporate Communication:</p> <p>(a) <u>delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left;</u></p> <p>(b) sent by post shall be deemed to have been served on the day following that on which it is put into a post office situated within Hong Kong and in proving such service it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly prepaid, addressed and put into such post office and a certificate in writing signed by the Secretary or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed and put into such post office shall be conclusive evidence thereof;</p> <p>(c) <u>given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations, and it shall not be necessary for the receipt of the electronic transmission to be acknowledged by the recipient;</u></p> <p>(d) <u>served by being placed on the Company's Website and the Exchange's website shall be deemed to be served at such time as may be prescribed by the Listing Rules; and</u></p> <p>(e) served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).</p>

Existing Provisions in Articles of Association	Revised Provisions in Articles of Association
30.6 Any notice or other document delivered or left at a registered address otherwise than by post shall be deemed to have been served or delivered on the day it was so delivered or left.	Deleted
30.7 Any notice served by advertisement shall be deemed to have been served on the day of issue of the official publication and/or newspaper(s) in which the advertisement is published (or on the last day of issue if the publication and/or newspaper(s) are published on different dates).	Moved to Article 30.4(e)
30.8 Any notice given by electronic means as provided herein shall be deemed to have been served and delivered on the day following that on which it is successfully transmitted or at such later time as may be prescribed by the Listing Rules or any applicable laws or regulations.	Deleted

Note: Due to addition and removal of certain articles, the serial number of relevant articles and cross references of the Articles of Association have been adjusted accordingly without separate explanation.

NOTICE OF ANNUAL GENERAL MEETING

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



宏信建設發展有限公司

HORIZON CONSTRUCTION DEVELOPMENT LIMITED

(Incorporated in the Cayman Island with limited liability)

(Stock Code: 9930)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of Horizon Construction Development Limited (the “Company”) will be held at Emerald I & II, Level 8, The Ritz-Carlton Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong at 3:00 p.m. on Tuesday, 4 June 2024 for the following purposes:

Ordinary Resolutions

1. To consider and approve the audited consolidated financial statements and the reports of the Directors and Auditor of the Company for the year ended 31 December 2023.
2. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT** the share option scheme of the Company (the “**Share Option Scheme**”), the rules of which are presented at the meeting and, for the purposes of identification, signed by the chairman of the meeting and summarized in the circular of the Company dated 2 May 2024, be hereby approved and adopted and the directors of the Company (the “**Directors**”) 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 Share Option Scheme including without limitation:

- (i) administering, modifying, interpreting the Share Option Scheme and granting options under the Share Option Scheme;
- (ii) authorizing the Administration Committee to administer the Share Option Scheme under the supervision of the Board and adjusting the composition of the Administration Committee and its terms of reference;

NOTICE OF ANNUAL GENERAL MEETING

- (iii) modifying and/or amending the rules of the Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Share Option Scheme relating to modification and/or amendment and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
 - (iv) issuing and allotting from time to time such number of shares of the Company (the “**Shares**”) as may be required to be issued pursuant to the exercise of the Options granted under the Share Option Scheme; and
 - (v) making application at the appropriate time or times to The Stock Exchange of Hong Kong Limited (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 Share Option Scheme.”
3. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares of the Company on the Stock Exchange or on any other approved stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange in accordance with all applicable laws including The Codes on Takeovers and Mergers and Share Buy-backs and the Listing Rules, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of shares, which may be repurchased pursuant to the approval in paragraph (i) above during the Relevant Period shall not exceed 10% of the total number of the issued share capital of the Company as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution:

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

- (1) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (2) 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 other applicable laws of the Cayman Islands to be held; and
 - (3) the date on which the mandate set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders at a general meeting.”
4. To consider and, if thought fit, pass with or without amendments the following resolution as an ordinary resolution:

“THAT:

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional Shares or securities convertible into Shares, and to make or grant offers, agreements, or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the mandate in paragraph (i) above shall authorize the Directors during the Relevant Period (as hereinafter defined) to make or grant offers, agreements, or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive Shares) which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) or (ii) of this resolution above, otherwise than pursuant to:
 - (a) a Rights Issue (as hereinafter defined);
 - (b) an issue of the Shares upon exercise of any subscription or conversion rights attaching to any warrants or any securities which are convertible into the Shares;
 - (c) any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or
 - (d) a specified authority granted by the shareholders of the Company in general meeting,

NOTICE OF ANNUAL GENERAL MEETING

shall not exceed 20% of the total number of the issued share capital of the Company as at the date of passing this resolution and the approval shall be limited accordingly; and

(iv) for the purpose of this resolution:

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

- (1) the conclusion of the next annual general meeting of the Company;
- (2) 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 other applicable laws of the Cayman Islands to be held; and
- (3) the date on which the mandate set out in this resolution is revoked or varied by an ordinary resolution of the Shareholders at a general meeting.

“**Rights Issue**” means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company (and, where appropriate, to holders of other securities of the Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as the Directors may deem necessary or expedient (but in compliance with the relevant provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

5. To consider and, if thought fit, pass with or without amendments the following resolutions as an ordinary resolutions:

“**THAT** conditional upon the passing of the resolutions 3 and 4, the general mandate referred to in the resolution 4 be and is hereby extended by the addition to the aggregate number of Shares which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate number of Shares repurchased by the Company pursuant to the general mandate pursuant to resolution 3, provided that such extended amount shall not exceed 10% of the total number of the issued share capital of the Company as at the date of passing this resolution.”

NOTICE OF ANNUAL GENERAL MEETING

6. To re-elect the following directors of the Company, each as a separate resolution:
 - (i) To re-elect Mr. HE Ziming as a non-executive director of the Company;
 - (ii) To re-elect Mr. LI Qianjin as a non-executive director of the Company;
 - (iii) To re-elect Mr. XU Min as an independent non-executive director of the Company; and
 - (iv) To re-elect Ms. JIN Jinping as an independent non-executive director of the Company.
7. To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
8. To re-appoint Ernst & Young as the auditor of the Company and authorize the Board to fix their remuneration.

Special Resolution

9. To consider and, if thought fit, pass the following resolution as a special resolution (with or without modification):

“**THAT:**

 - (i) the proposed amendments to the third amended and restated articles of association of the Company (the “**Proposed Amendments**”), the details of which are set out in Appendix IV to the circular of the Company dated 2 May 2024, be and are hereby approved;
 - (ii) the fourth amended and restated articles of association of the Company (incorporating the Proposed Amendments) (the “**New Articles**”) in the form of the document marked “A” and produced to this meeting and for the purpose of identification initialed by the chairman of the meeting, be and are hereby approved and adopted in substitution for, and to the exclusion of, the existing third amended and restated articles of association of the Company with immediate effect; and

NOTICE OF ANNUAL GENERAL MEETING

- (iii) any one director, secretary or registered office provider of the Company be and is hereby authorised to do all such acts and things and execute all such documents, deeds and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the Proposed Amendments and the adoption of the New Articles and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws, rules and regulations in the Cayman Islands and Hong Kong.”

By order of the Board
Horizon Construction Development Limited
KONG Fanxing
Chairman

Hong Kong, 2 May 2024

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the AGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange 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.
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 Sunday, 2 June 2024. 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 Thursday, 30 May 2024 to Tuesday, 4 June 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Wednesday, 29 May 2024, being the last registration date.
8. If a tropical cyclone warning signal number 8 or above or is hoisted, or "extreme conditions" caused by super typhoons or a black rainstorm warning or is/are in force at 12:00 p.m. on 4 June 2024, the AGM will not be held on 4 June 2024 but will be postponed to a later date and if postponed, the Company will as soon as practicable post an announcement on the websites of the Stock Exchange and the Company.

As at the date hereof, the executive directors of the Company are Mr. PAN Yang (Chief Executive Officer) and Mr. TANG Li, the non-executive directors of the Company are Mr. KONG Fanxing (Chairman), Mr. XU Huibin, Mr. HE Ziming, Mr. LI Qianjin and Ms. GUO Lina, and the independent non-executive directors of the Company are Mr. LIU Jialin, Mr. XU Min, Ms. JIN Jinping and Mr. SUM Siu Kei.