APPENDIX IV
SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

The following is a summary of the principal terms of the New Share Option Scheme to be adopted at the EGM:

1. SUMMARY OF THE TERMS OF THE NEW SHARE OPTION SCHEME

   (i) Purpose of the New Share Option Scheme

   The purpose of the New Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to the Enlarged Group and/or to enable the Enlarged Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Enlarged Group or any entity in which the Enlarged Group holds any equity interest ("Invested Entity").

   (ii) Who may join

   Subject to the provisions in the New Share Option Scheme, the Board shall be entitled at any time within the period of ten (10) years after the date of adoption of the New Share Option Scheme to make an offer to any of the following classes of persons ("Eligible Participant(s)"):

   (1) any employee (whether full-time or part-time) of the Enlarged Group and any Invested Entity;

   (2) any director (including executive, non-executive and independent non-executive directors) of the Enlarged Group or any Invested Entity;

   (3) any supplier of goods or services to any member of the Enlarged Group or any Invested Entity;

   (4) any customer of the Enlarged Group or any Invested Entity;

   (5) any consultant, adviser, manager, officer or entity that provides research, development or other technological support to the Enlarged Group or any Invested Entity; or

   (6) any person who, in the sole discretion of the Board, has contributed or may contribute to the Enlarged Group or any Invested Entity eligible for options under the New Share Option Scheme.

   (iii) Maximum number of New Shares

   (1) Notwithstanding anything to the contrary herein, the maximum number of New Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of New Shares in issue from time to time.
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(2) The total number of New Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 10% of the total number of New Shares in issue as at the [REDACTED] unless the Company obtains the approval of the Shareholders in general meeting for renewing the 10% limit ("Scheme Mandate Limit") under the New Share Option Scheme provided that options lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

(3) The Company may seek approval of the Shareholders in general meeting to renew the Scheme Mandate Limit such that the total number of New Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company as “renewed” shall not exceed 10% ("Renewal Limit") of the total number of New Shares in issue as at the date of the approval of the Shareholders on the renewal of the Scheme Mandate Limit, provided that options previously granted under the New Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company or exercised) will not be counted for the purpose of calculating the Renewal Limit.

For the purpose of seeking the approval of the Shareholders for the Renewal Limit, a circular containing the information and the disclaimer as required under the Listing Rules must be sent to the Shareholders.

(4) The Company may seek separate approval of the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the proposed grantee(s) of such option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders, the Company must send a circular to the Shareholders containing a generic description of the specified proposed grantees of such options, the number and terms of the options to be granted, the purpose of granting such options to the proposed grantees with an explanation as to how the terms of options serve such purpose and the information and the disclaimer as required under the Listing Rules.
(iv) Maximum entitlement of each Eligible Participant

No option shall be granted to any Eligible Participant if any further grant of options would result in the New Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of grant of the options exceeding 1% of the total number of New Shares in issue, unless:

(1) such further grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting at which the Eligible Participant and his/her/its associates shall abstain from voting;

(2) a circular regarding the further grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the Eligible Participant, the number and terms of the options to be granted and options previously granted to such Eligible Participant); and

(3) the number and terms (including the exercise price) of such option are fixed before the general meeting of the Company at which the same are approved.

(v) Grant of options to connected persons

(1) The grant of options to a Director, chief executive or substantial Shareholder of the Company or any of his/her/its respective associates (including discretionary trust in which any connected persons are beneficiary) requires the approval of all the independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee of the option) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

(2) Where an option is to be granted to a substantial Shareholder or an independent non-executive Director (or any of his/her/its respective associates), and such grant will result in the New Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(a) exceeding 0.1% of the total number of New Shares in issue at the relevant time of grant; and
(b) exceeding an aggregate value (based on the closing price of the New Shares on the Stock Exchange on the date of each grant) of HK$5.0 million, such grant shall not be valid unless:

I. a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules, including, in particular, (i) details of the number and terms (including exercise price) of the options to be granted to such connected person of the Company, which must be fixed before the Shareholders’ meeting and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purposes of calculating the exercise price, and (ii) a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective grantee of the option) to the independent Shareholders as to voting; and

II. the grant has been approved by the Shareholders in general meeting (taken on a poll) at which such person and his/her/its connected persons shall abstain from voting in favour of the grant (unless such connected person’s intention to vote against the proposed grant of option has been stated in the relevant circular).

(vi) Time of acceptance and exercise of an option

An offer of grant of an option may be accepted by an Eligible Participant within the date as specified in the offer letter issued by the Company, being a date not later than 21 Business Days from the date upon which it is made, by which the Eligible Participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than ten (10) years after the date of adoption of the New Share Option Scheme. There is no general requirement on the minimum period for which option must be held before the exercise of any option.

A consideration of HK$1 is payable on acceptance of the offer of grant of an option. Such consideration shall in no circumstances be refundable. An option may be exercised in whole or in part by the grantee (or his/her personal representative(s)) at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than ten (10) years commencing on the date of the offer letter and expiring on the last day of such ten (10)-year period subject to the provisions for early termination as contained in the New Share Option Scheme.
(vii) Performance targets

Unless otherwise determined by the Board and specified in the offer letter, there is no performance target that has to be achieved before the exercise of any option.

(viii) Exercise price for New Shares

The exercise price of a New Share in respect of any particular option granted under the New Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an Eligible Participant, and shall be at least the higher of: (1) the closing price of the New Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date (as defined below), and (2) the average of the closing price of the New Shares as stated in the Stock Exchange’s daily quotation sheets for the five consecutive Business Days immediately preceding the Offer Date, and (3) the nominal value of a New Share on the Offer Date.

When an option is to be granted to an Eligible Participant, the date of the Board meeting at which the grant was proposed shall be taken to be the date of the offer of such option, which must be a Business Day (the “Offer Date”).

(ix) Ranking of New Shares

The New Shares to be allotted and issued upon the exercise of an option shall be subject to the Memorandum and the Articles of Association for the time being in force and shall rank pari passu in all respects with the fully-paid New Shares in issue of the Company as at the date of allotment and issue (the “Exercise Date”), and will entitle the holders to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the [REDACTED] therefor shall be before the Exercise Date.

(x) Restrictions on the time of grant of options

No option shall be granted by the Company after a development of or a matter constituting inside information has been the subject of a decision of the Enlarged Group until such price-sensitive information has been announced pursuant to the requirements of the Listing Rules and the SFO. In particular, during the period commencing one month immediately preceding the earlier of:

(1) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

(2) the deadline for the Company to publish an announcement of the results for any year or half-year, quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no option shall be granted.
(xi) **Period of the New Share Option Scheme**

Subject to any prior termination by the Company in a general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption of the New Share Option Scheme (the “Option Period”), after which period no further option shall be granted but in respect of all options which remain exercisable at the end of such period, the provisions of the New Share Option Scheme shall remain in full force and effect.

(xii) **Rights on cessation of employment**

Where the grantee of an outstanding option ceases to be an employee of the Enlarged Group for any reason other than his/her death or the termination of his/her employment on one or more of the grounds specified in (xii)(e), the option granted to such grantee shall lapse on the date of cessation (to the extent not already exercised) and shall not be exercisable unless the Board otherwise determines to grant an extension (to the extent which has become exercisable and not already exercised) and subject to any other terms and conditions decided at the absolute discretion of the Board. For the avoidance of doubt, such period of extension (if any) shall be granted within and in any event ended before the expiration of the period of one month following the date of his/her cessation to be an employee of the Enlarged Group.

(xiii) **Rights on death**

Where the grantee of an outstanding option dies before exercising the option in full or at all, and none of the events specified in (xii)(e) which would be a ground for termination of his/her employment or engagement arises, the option may be exercised in full or in part (to the extent which has become exercisable and not already exercised) by his/her personal representative(s) within 12 months following the date of his/her death or such longer period as the Board may at its absolute discretion determine from the date of death to exercise the option up to the entitlement of such grantee as at the date of death.

(xiv) **Rights on a general offer**

In the event of a general or partial offer (whether by way of take-over offer, share repurchase offer, other than by way of scheme of arrangement or otherwise in like manner) being made to all the holders of New Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, and if such offer becomes or is declared unconditional prior to the expiry of the relevant Option Period, a grantee (or his/her personal representatives(s)) shall be entitled to exercise his/her/its option in full (to the extent which has become exercisable on the date of the notice of the offer and not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.
(xv) Rights on winding-up

In the event that a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall, on the same date as or soon after it despatches such notice to each Shareholder, give notice thereof to all grantees and thereupon, each grantee (or his/her personal representative(s)) shall, subject to the provisions of all applicable laws, be entitled to exercise all or any of his/her/its options (to the extent which has become exercisable and not already exercised) at any time not later than two Business Days prior to the proposed general meeting of the Company, by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate exercise price for the New Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant New Shares to the grantee credited as fully paid, which shall rank pari passu with all other New Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation.

(xvi) Rights on scheme of arrangement

In the event of a general or partial offer by way of scheme of arrangement is made to all the holders of New Shares and has been approved by the necessary number of holders of New Shares at the requisite meetings, the grantee (or his/her personal representative(s)) may thereafter (but only until such time as shall be notified by the Company, after which it shall lapse) exercise the option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in the grantee’s notice to the Company at any time thereafter and the [REDACTED] for entitlements under the scheme of arrangement.

(xvii) Rights on compromise or arrangement between the Company and the creditors

In the event of a compromise or arrangement between the Company and the Shareholders and/or the creditors in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to the Shareholders or creditors to consider such a compromise or arrangement, and thereupon any grantee (or his/her personal representative(s)) may by notice in writing to the Company accompanied by the remittance of the exercise price in respect of the relevant option (such notice to be received by the Company not later than two Business Days before the proposed meeting) exercise any of his/her/its options (to the extent which has become exercisable and not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. The Company shall as soon as possible and in any event no later than the Business Day
immediately prior to the date of the proposed meeting referred to above, allot and issue such number of New Shares to the grantee which may fall to be issued on such exercise credited as fully paid and register the grantee as holder of such New Shares. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the New Share Option Scheme. The Company may require the grantee (or his/her personal representative(s)) to transfer or otherwise deal with the New Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such New Shares been subject to such compromise or arrangement.

(xviii) Reorganisation of capital structure

In the event of any alteration in the capital structure of the Company whilst any option has been granted and remains exercisable, whether by way of capitalisation issue, rights issue, consolidation or subdivision of the New Shares, or reduction of the share capital of the Company (other than an issue of New Shares as consideration in respect of a transaction to which the Company is a party), the Company shall make corresponding alterations (if any), in accordance with the Listing Rules and any applicable guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time (including but not limited to the supplementary guidance issued on 5 September 2005), to:

1. the number and/or nominal amount of New Shares subject to the options already granted so far as they remain exercisable; and/or
2. the exercise price; and/or
3. the maximum number of New Shares referred to in sub-paragraphs (iii) and (iv) above provided that:

   (aa) no such alteration shall be made in respect of an issue of New Shares or other securities by the Company as consideration in a transaction;

   (bb) any such alterations shall give a grantee the same proportion of the issued share capital of the Company as that to which he/she/it was previously entitled;

   (cc) no such alterations shall be made the effect of which would be to enable any New Share to be issued at less than its nominal value; and

   (dd) any such alterations shall be confirmed by an independent financial adviser or the auditors in writing to the Directors, to be in their opinion fair and reasonable, as satisfying the requirements of provisions referred to in sub-paragraphs (bb) and (cc) above.
(xix) Cancellation of options

The Board may, with the consent of the relevant grantee, at any time at its absolute discretion cancel any option granted but not exercised. Where the Company cancels options and offers new options to the same option holder, the offer of such new options may only be made under the New Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the Scheme Mandate Limit approved by the Shareholders.

(xx) Termination of the New Share Option Scheme

The Company, by resolution in general meeting, or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme and the Listing Rules.

(xxi) Rights are personal to grantee

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any option or enter into any agreement to do so. Any breach of the foregoing by the grantee shall entitle the Company to cancel any option or part thereof granted to such grantee (to the extent not already exercised) without incurring any liability on the part of the Company.

(xxii) Lapse of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

(a) the expiry of the Option Period (subject to the provision referred to in sub-paragraph (xx));

(b) the expiry of the periods referred to in sub-paragraphs (xii), (xiii) or (xvii), where applicable;
(c) subject to the court of competent jurisdiction not making an order prohibiting the offeror from acquiring the remaining New Shares in the offer, the expiry of the period referred to in sub-paragraph (xiv);

(d) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (xvi);

(e) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his/her/its employment or engagement on the grounds that he/she/it has been guilty of misconduct, or has been in breach of a material term of the relevant employment contract or engagement contract, or appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has committed any act of bankruptcy, or has become insolvent, or has been served a petition for bankruptcy or winding-up, or has made any arrangements or composition with his/her/its creditors generally, or has been convicted of any criminal offence or (if so determined by the Board, the board of the relevant subsidiary or the board of the relevant associated company of the Company, as the case may be) on any other ground on which an employer or a sourcing party would be entitled to terminate his/her/its employment or engagement at common law or pursuant to any applicable laws or under the grantee’s service contract or supply contract with the Company, the relevant subsidiary or the relevant associated company of the Company (as the case may be);

(f) the date of the commencement of the winding-up of the Company referred to in sub-paragraph (xv);

(g) the date on which the grantee commits a breach of sub-paragraph (xxi); or

(h) the date on which the option is cancelled by the Board as set out in sub-paragraph (xix).

(xiii) Alterations to the New Share Option Scheme

(1) The New Share Option Scheme may be altered in any respect to the extent allowed by the Listing Rules by resolution of the Board except that the following alterations must be approved by a resolution of the Shareholders in general meeting:

(aa) any changes to the definitions of Eligible Participant, grantee and Option Period;

(bb) any changes to the terms and conditions of the New Share Option Scheme to the advantage of the grantees of the options (whereby such grantee and his/her/its associates shall abstain from voting in the general meeting);

(cc) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature;
(dd) any changes to the terms of options granted; and

(ee) any changes to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme except where such alterations take effect automatically under the existing terms of the New Share Option Scheme, provided that: (a) the amended terms of the New Share Option Scheme or the options must comply with Chapter 17 of the Listing Rules; and (b) no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of grantees as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the New Shares.

(2) Notwithstanding the other provisions of the New Share Option Scheme, the New Share Option Scheme may be amended or altered in any respect by resolution of the Board without the approval of the Shareholders or the grantee(s) to the extent such amendment or alteration is required by the Listing Rules or any guidelines issued by the Stock Exchange from time to time.

(3) The Company must provide to all grantees all details relating to changes in the terms of the New Share Option Scheme during the life of the New Share Option Scheme immediately upon such changes taking effect.

(xxiv) Conditions

The New Share Option Scheme is conditional on:

(a) the passing of the necessary resolutions by the Shareholders in general meeting to approve and adopt the New Share Option Scheme;

(b) the Listing Committee granting approval of the listing of, and permission to deal in, the New Shares to be issued pursuant to the exercise of any options which may be granted under the New Share Option Scheme;

(c) the obligations of the Underwriter under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise; and

(d) the Resumption having taken place.