

# CIRCULAR ON SHARE OPTION SCHEME AND GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

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## APPENDIX I

## SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME

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### (9) Rights on ceasing employment or directorship

If the grantee of an option is an employee or director of a member of the Group and the grantee ceases to be an employee (whether full-time or part-time) or director of the relevant member of the Group (a) for any reason other than death, misconduct or certain other grounds (including bankruptcy, insolvency or a conviction of criminal offence) or (b) upon the cessation of the relevant company to be a member of the Group and the grantee not thereupon being employed by another member of the Group or being a director of another member of the Group, the grantee may exercise the option up to the grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 3 months following the date of such cessation, which date shall be the grantee's last actual working day with the relevant member of the Group whether salary is paid in lieu of notice or not. The period of 3 months may, in the absolute discretion of the Directors, be extended by the Directors but the period of such extension shall not exceed 6 months from the date of expiration of the original periods.

### (10) Rights on death

If the grantee of an option dies before exercising the option in full and, where the grantee is an employee or director of a member of the Group, none of certain events which would be a ground for termination of the relevant employment or directorship arises, the personal representative(s) of the deceased grantee may exercise the option in full (to the extent which has become exercisable and not already exercised) within a period of 12 months from the date of death unless extended by the Board but the period of such extension shall not exceed 6 months from the date of expiration of the original periods.

### (11) Effects of alterations to capital structure

In the event of an alteration in the capital structure of the Company through consolidation, subdivision, capitalization issue, issue of shares by way of rights or a reduction of share capital whilst any option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of the Company or the Company's independent financial adviser as fair and reasonable will be made in the number or nominal amount of Shares subject to the options so far as unexercised, the Subscription Price, the maximum number of Shares subject to the grant of options as referred to in paragraph (5) and/or the method of the exercise of the option, provided that no such alteration shall be made so that a Share would be issued at less than its nominal value or which would give a grantee a different proportion of the issued share capital of the Company as that to which he was previously entitled. No alteration shall be made if any alteration in the capital structure of the Company is the result of an issue of Shares in the capital of the Company as consideration in a transaction.

### (12) Rights on takeover

If a general offer (including any takeover (as defined in the Code on Takeovers and Mergers ("Takeovers Code")), is made to all the Shareholders (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 such offer becomes or is declared unconditional, the grantee shall be entitled to exercise the option in whole or in part (to the extent which has become exercisable and not already exercised) at any time before the earlier of (1) the expiry of the Option Period or (2) the period of 1 month from the date on which the offer becomes or is declared unconditional.

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### (13) Rights on winding-up

In the event of an effective resolution being passed for the voluntary winding up of the Company, the grantee (or his personal representative(s)) may by notice in writing to the Company within 30 days after the date of such resolution elect to be treated as if the option had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in such notice and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with Shareholders such sum as would have been received in respect of the Shares the subject of such election reduced by an amount equal to the subscription price which would otherwise have been payable in respect thereof. Subject to the above, an option will lapse automatically (to the extent not already exercised) on the date of commencement of the winding up of the Company.

### (14) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the grantee on the same date as it dispatches the notice to each Shareholder or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representative(s) if applicable) may, forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date 2 months thereafter or the date on which such compromise or arrangement is sanctioned by the court, exercise any of his 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 and becoming effective. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the New Scheme. The Company may require the grantee (or his personal representative(s) if applicable) to transfer or otherwise deal with the 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 possible as would have been the case had such Shares been subject to such compromise or arrangement.

### (15) Lapse of option

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

- (a) the expiry of the Option Period;
- (b) the expiry of the periods referred to in paragraph (9), (10) or (12) respectively;
- (c) subject to the scheme of arrangement becoming effective in a situation contemplated in paragraph (14), the expiry of the period referred to therein;
- (d) where the grantee is an employee or director of a member of the Group, the date on which the relevant employee or director ceases to be an employee or director of a member of the Group by reason of the termination of his employment on grounds including, but not limited to, misconduct, bankruptcy, insolvency and conviction of any criminal offence or any other ground on which the member of the Group would be entitled to summarily terminate the grantee's employment or directorship at common law without notice or compensation. The Board's resolution to such effect shall be conclusive and binding;