

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

APPENDIX I

SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SCHEME

- (e) where the grantee is a corporation, the date of the commencement of the winding-up of the grantee;
- (f) the date of the commencement of the winding-up of the Company in a situation contemplated in paragraph (13); or
- (g) the date on which the grantee breaches paragraph (8), if the Board shall exercise its right to deem the option as lapsed.

(16) Ranking of Shares

The Shares to be allotted and issued upon the exercise of an option will be subject to the Articles of Association of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and issue and in particular will rank in full for all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the date of allotment and issue.

Unless the context otherwise requires, references to “Shares” in the New Scheme include references to shares in the Company of any such nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time.

(17) Cancellation of options granted

Any cancellation of options granted but not exercised must be approved by the Shareholders (and also by shareholders of any holding company which is listed on the main board of the Stock Exchange) in general meeting, with participants and their associates abstaining from voting. Any vote taken at the meeting to approve such cancellation must be taken on a poll. Where the Board cancels options and issues new options to the same Eligible Participants, the issue of such new options may only be made under the New Scheme with available unissued options (excluding the cancelled options) within the limit approved by the Shareholders as mentioned in paragraph (5).

(18) Period of the New Scheme

The New Scheme will remain valid for a period of 10 years commencing on 25 April 2002 after which period no further options will be granted but the provisions of the New Scheme shall in all other respects remain in full force and effect and options which are granted during the life of the New Scheme may continue to be exercisable in accordance with their terms of issue.

The Company may at any time terminate the operation of the New Scheme by resolution in general meeting and in such event no further option shall be offered but in all other respects the provision of the New Scheme shall remain in force. All options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Scheme.

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(19) Alteration to the New Scheme

The New Scheme may be altered in any respect by resolution of the Board except that the provisions of the New Scheme relating to matters contained in rule 17.03 of the Listing Rules shall not be altered to extend the class of Eligible Participants or to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders in general meeting (with participants and their Associates abstaining from voting). 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 of such majority of the grantees as would be required of the Shareholders under the Articles of Association of the Company for the time being for a variation of the rights attached to the Shares.

Any alterations to the terms and conditions of the New Scheme, which are of a material nature, must be approved by the Shareholders of the Company in general meeting and the Stock Exchange, except where the alterations take effect automatically under the exiting terms of the New Scheme.

(20) Conditions of the New Scheme

The New Scheme shall take effect subject to the passing of the necessary resolution to adopt the New Scheme by the Shareholders in general meeting and is conditional on (a) the passing by the Shareholders at the AGM of the necessary resolution to adopt the New Scheme and (b) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in any Shares which may be issued pursuant to the exercise of options granted under the New Scheme. Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Shares which may be issued pursuant to the exercise of the options granted under the New Scheme.

As at the Latest Practicable Date, no option has been granted or agreed to be granted by the Company under the New Scheme.

(21) Value of all options that can be granted under the New Scheme

The Board considers that it is not appropriate or helpful to Shareholders to state the value of all options that can be granted pursuant to the New Scheme as if they had been granted at the Latest Practicable Date. The Board believes that any statement regarding the value of the options as at the Latest Practicable Date will not be meaningful to the Shareholders, since the options to be granted shall not be assignable, and no holder of options shall in any way sell, transfer, charge, mortgage or create any interest (legal or beneficial) in favour of any third party over or in relation to any option.

In addition, the calculation of the value of the options is based on a number of variables such as the exercise price, the exercise period, interest rate, expected volatility and other relevant variables. The Board believes that any calculation of the value of the options as at the Latest Practicable Date based on a great number of speculative assumptions would not be meaningful and would be misleading to the Shareholders.