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

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

**If you have sold or transferred** all your shares in Soundwill Holdings Limited (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or to the transferee or to the bank, the licensed securities dealer or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

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**SOUNDWILL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 878)**

**PROPOSAL FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
INFORMATION ON DIRECTORS TO BE RE-ELECTED  
AND  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND  
TERMINATION OF THE 2002 SHARE OPTION SCHEME**

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A letter from the board of directors of Soundwill Holdings Limited is set out in pages 4 to 10 of this circular.

A notice convening the annual general meeting (the “AGM”) of Soundwill Holdings Limited (the “Company”) to be held at 36th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong at 3:00 p.m. on Thursday, 19 May 2011, at which the above proposal will be considered, is contained in the 2010 Annual Report of the Company accompanying this circular.

If you are not able to attend the meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company’s principal office in Hong Kong at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

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## DEFINITIONS

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

“2002 Share Option Scheme”	the share option scheme of the Company adopted on 22 July 2002;
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be held at 36th Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong at 3:00 p.m. on 19 May 2011;
“AGM Notice”	the notice convening the AGM as contained in the 2010 Annual Report of the Company accompanying this circular;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company, as amended from time to time;
“Company”	Soundwill Holdings Limited, a company incorporated in Bermuda with limited liability, the securities of which are listed on the Stock Exchange;
“Designated Stock Exchange”	a stock exchange which is an appointed stock exchange for the purposes of the Companies Act 1981 of Bermuda in respect of which the shares of the Company are listed or quoted and where such appointed stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;
“Director(s)”	the director(s) of the Company;

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## DEFINITIONS

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“Extension of Share Issue Mandate”	the extension of the Share Issue Mandate by the addition thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to the Share Repurchase Mandate provided that such extended amount shall not exceed 10 per cent. of the number of Shares in issue at the date of passing of resolution no. 5C set out in the AGM Notice;
“Group”	means the Company, its subsidiaries, Associated Companies and jointly controlled entities from time to time;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Latest Practicable Date”	7 April 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“New Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular;
“Option(s)”	a right to subscribe for Shares pursuant to the terms of the New Share Option Scheme;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);

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## DEFINITIONS

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“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time);
“Share Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot and issue Shares during the relevant period up to 20 per cent. of the issued share capital of the Company as at the date of passing of resolution no. 5B set out in the AGM Notice;
“Share Registrar”	Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, being the Hong Kong branch share registrar and transfer office of the Company;
“Share Repurchase Mandate”	the general mandate to the Directors to exercise the power of the Company to repurchase Shares during the relevant period up to 10 per cent. of the issued share capital of the Company as at the date of passing of the resolution no. 5A set out in the AGM Notice;
“Shareholder(s)”	holder(s) of the Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers and Share Repurchases.

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LETTER FROM THE BOARD

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**SOUNDWILL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 878)**

*Executive Directors:*

FOO Kam Chu, Grace, *Chairman*  
CHAN Wai Ling  
KONG Siu Man, Kenny  
TSE Wai Hang

*Registered Office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Non Executive Directors:*

LIANG Yanfeng, *Non-Executive Vice Chairman*  
MENG Qinghui

*Head Office and Principal*

*Place of Business:*  
21st Floor, Soundwill Plaza  
38 Russell Street  
Causeway Bay  
Hong Kong

*Independent Non-Executive Directors:*

CHAN Kai Nang  
PAO Ping Wing  
NG Chi Keung

12 April 2011

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
INFORMATION ON DIRECTORS TO BE RE-ELECTED  
AND  
ADOPTION OF THE NEW SHARE OPTION SCHEME  
AND  
TERMINATION OF THE 2002 SHARE OPTION SCHEME**

**1. INTRODUCTION**

The Directors are proposing to seek the approvals of the Shareholders at the AGM in relation to:

- (a) the granting of the Share Issue Mandate and the Share Repurchase Mandate;

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## LETTER FROM THE BOARD

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- (b) the Extension of Share Issue Mandate;
- (c) the re-election of Director(s);
- (d) the adoption of the New Share Option Scheme; and
- (e) the termination of the 2002 Share Option Scheme.

The purpose of this circular is to provide you with information in respect of the granting of the Share Repurchase Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the information on directors to be re-elected at the forthcoming AGM, the adoption of the New Share Option Scheme and the termination of the 2002 Share Option Scheme.

### **2. GRANTING OF THE SHARE REPURCHASE MANDATE, THE SHARE ISSUE MANDATE AND THE EXTENSION OF SHARE ISSUE MANDATE**

The general mandates given at the annual general meeting of the Company on 1 June 2010 to the Directors to exercise the powers of the Company to repurchase its own Shares, issue Shares and extend the authority to issue Shares by the amount of Shares repurchased will lapse at the conclusion of the AGM.

To facilitate future allotment and issue of Shares by the Directors on behalf of the Company, the Directors will seek the approval of the Shareholders for the grant of the Share Issue Mandate and the Extension of Share Issue Mandate at the AGM. Assuming that (i) no other Shares are issued or repurchased by the Company from the Latest Practicable Date up to the AGM; and (ii) the Share Issue Mandate is approved by the Shareholders at the AGM, the Share Issue Mandate will allow the Directors to exercise the power of the Company to allot and issue not more than 48,316,827 Shares.

The Directors will also seek the approval of the Shareholders at the AGM for the grant of the Share Repurchase Mandate in accordance with the requirements set out in the Listing Rules. Pursuant to the requirements of the Listing Rules, Appendix I to this circular sets out the explanatory statement to provide the Shareholders with the requisite information reasonably necessary to enable the Shareholders to make an informed decision in considering the voting on the grant of the Share Repurchase Mandate.

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## LETTER FROM THE BOARD

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Details of the Share Repurchase Mandate, the Share Issue Mandate and the Extension of Share Issue Mandate are set out in resolutions nos. 5A, 5B and 5C in the AGM Notice. The Share Repurchase Mandate and the Share Issue Mandate shall be valid from the passing of the relevant resolutions (the “Resolutions”) by the Directors at the AGM until whichever the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Companies Act 1981 of Bermuda or the Company’s Bye-laws to be held; or (iii) the date on which the authority set out in the Resolutions are revoked or varied by ordinary resolutions of the Shareholders in general meeting.

### **3. RE-ELECTION OF DIRECTORS**

Pursuant to Bye-law 86(2) & 87(1), Madam Foo Kam Chu, Grace, Ms. Chan Wai Ling, Mr. Tse Wai Hang, Mr. Chan Kai Nang and Mr. Ng Chi Keung, existing Directors of the Company, will be retiring from office at the AGM. They all are eligible and will be proposed for re-election at the AGM. Information on these Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

### **4. ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE 2002 SHARE OPTION SCHEME**

As the 2002 Share Option Scheme was adopted by the Company on 22 July 2002 and would expire on 22 July 2012. The Board has taken this opportunity to review and consider the rules of the 2002 Share Option Scheme and has proposed on 23 March 2011 to terminate the 2002 Share Option Scheme and adopt the New Share Option Scheme. Upon termination of the 2002 Share Option Scheme, no further options will be granted thereunder; however, the rules of the 2002 Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of option granted prior to its termination or otherwise as may be required in accordance with the rules of the 2002 Share Option Scheme. Options granted prior to such termination will continue to be valid and exercisable in accordance with the rules of the 2002 Share Option Scheme. As at the Latest Practicable Date, there were 20,440,000 options granted but not yet exercised under the 2002 Share Option Scheme.

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## LETTER FROM THE BOARD

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Under the rules of the 2002 Share Option Scheme, the Company may grant options to (i) any executive or non-executive directors of the Group or any employees of the Group; (ii) any discretionary object of a discretionary trust established by any employee, executive or non-executive director of the Group; (iii) any consultant(s) and professional adviser(s) to the Group; (iv) Chief Executive (as defined under the Listing Rules) or Substantial Shareholder (as defined under the Listing Rules) of the Company; (v) Associates (as defined under the Listing Rules) of Director, Chief Executive or Substantial Shareholder of the Company; and (vi) employees of the Substantial Shareholder. The Company considers that the proposed adoption of the New Share Option Scheme would be in the interest of the Company and the Shareholders as a whole as the New Share Option Scheme will enable the Company to encourage and provide incentives to, and strengthen the business relationship with, the prescribed classes of participants who may contribute to the growth and development of the Group.

The New Share Option Scheme is conditional upon:

- (a) the passing of an ordinary resolution at the AGM to approve the termination of the 2002 Share Option Scheme;
- (b) the passing of an ordinary resolution at the AGM to approve and adopt the New Share Option Scheme and to authorise the Board to grant the Options thereunder and to allot, issue and deal with the Shares which fall to be issued by the Company pursuant to the exercise of the Options under the New Share Option Scheme; and
- (c) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in such number of Shares to be issued by the Company pursuant to the exercise of the Options which may be granted under the New Share Option Scheme.

The purpose of the New Share Option Scheme is to encourage the participant (as defined under the New Share Option Scheme) to perform their best in achieving the goals of the Group and at the same time allow the participants to enjoy the results of the Company attained through their efforts and contributions and to provide the participants with incentives and help the Company in retaining its existing employees and recruiting additional employees. A stronger business relationship will accordingly be established by the Group with the participants.

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## LETTER FROM THE BOARD

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Under the New Share Option Scheme, the Board has the authority to set terms and conditions in the grant of the Options, (i.e. to set conditions in relation to the minimum period of the Options to be held and/or the performance targets to be achieved before such Options can be exercised and the requirement for a minimum subscription price). With such authority and flexibility, the Directors may impose different conditions in the grant of the Options to the participants as they consider appropriate with a view to achieving the purpose of the New Share Option Scheme as stated above.

None of the Directors is a trustee of the New Share Option Scheme nor has any direct or indirect interest in the trustees.

### **Scheme mandate limit and maximum number of Shares to be issued under the New Share Option Scheme**

Shares which may fall to be issued upon the exercise of all Options to be granted under the New Share Option Scheme at any time may not exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme.

On the basis of 241,584,135 Shares in issue as the Latest Practicable Date and assuming that no further Shares are issued or repurchased by the Company prior to the AGM, the scheme mandate limit for the New Share Option Scheme will be 24,158,413 Shares under Rule 17.03(3) of the Listing Rules, should the New Share Option Scheme be adopted.

### **Value of the Options**

The Company considers that it would not be appropriate to state the value of all Options that could be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the Option value are yet to be determined. Such variables include the subscription price payable for the Shares, exercise period, any lock-up period and any performance target. The Company believes that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would be misleading to the Shareholders.

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## LETTER FROM THE BOARD

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A summary of the principal terms of the New Share Option Scheme which is proposed to be approved and adopted by the Company at the AGM is set out in Appendix III on pages 20 to 32 of this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the principal place of business in Hong Kong of the Company at 21/F., Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong during normal business hours on any weekdays other than public holidays from the date of this circular up to and including the date of the AGM.

The resolution for approving the New Share Option Scheme is set out in resolution no. 5D in the AGM Notice and the resolution for approving the termination of the 2002 Share Option Scheme is set out in resolution no. 5E in the AGM Notice.

### **5. ANNUAL GENERAL MEETING**

The AGM Notice is set out in the 2010 Annual Report of the Company accompanying this circular. At the AGM, ordinary resolutions will be proposed to approve the Share Repurchase Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the re-election of Directors, the adoption of the New Share Option Scheme and the termination of the 2002 Share Option Scheme. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on any resolution at the AGM.

A form of proxy for use at the AGM is enclosed with this circular. If you are not able to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's principal office at 21st Floor, Soundwill Plaza, 38 Russell Street, Causeway Bay, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the AGM should you so wish.

Pursuant to Rule 13.39 of the Listing Rules, all votes of the Shareholders at the general meeting must be taken by poll.

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## LETTER FROM THE BOARD

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### 6. RECOMMENDATION

The Directors believe that the Share Repurchase Mandate, the Share Issue Mandate, the Extension of Share Issue Mandate, the re-election of Directors, the adoption of the New Share Option Scheme and the termination of the 2002 Share Option Scheme are in the interests of the Company and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

### 7. RESPONSIBILITY OF THE DIRECTORS

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 herein misleading.

Yours faithfully,  
By order of the Board  
**Soundwill Holdings Limited**  
**Foo Kam Chu, Grace**  
*Chairman*

This Appendix I serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to Shareholders for consideration of the Share Repurchase Mandate and should be read in conjunction with the letter from the Board hereinbefore appearing.

## **1. LISTING RULES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange or on any other stock exchange on which the shares of the companies may be listed and recognised for the purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (a) The shares proposed to be purchased by the company are fully-paid up.
- (b) The company has previously sent to its shareholders an explanatory statement complying with the Listing Rules.
- (c) The shareholders of the company have given a specific approval or a general mandate to the directors of the company to make such purchase, by way of an ordinary resolution which complies with the Listing Rules and which has been passed at a general meeting of the company duly convened and held and the company has delivered a copy of such resolution, together with the necessary supporting documentation, to the Stock Exchange in accordance with the Listing Rules.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 241,584,135 Shares. Subject to the passing of the ordinary resolution to approve the Share Repurchase Mandate and on the assumption that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Share Repurchase Mandate to repurchase up to a limit of 24,158,413 Shares.

**3. REASON FOR REPURCHASES**

Repurchases of Shares will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net value of the Company and its assets and/or its earnings per Share.

**4. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Bye-laws, the laws of the jurisdiction in which the Company is incorporated and the Listing Rules.

The Companies Act 1981 of Bermuda provides that the amount of capital repaid in connection with a share repurchase may only be paid out of either the capital paid up on the relevant Shares or the funds of the Company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of Shares made for the purpose. The amount of premium payable on repurchase may only be paid out of the funds of the Company which would otherwise be available for dividend or distribution or out of the share premium account of the Company before the Shares are repurchased.

**5. FINANCIAL EFFECT OF REPURCHASE OF SHARES**

There might be material adverse effect on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the Annual Report for the year ended 31 December 2010) in the event that the proposed repurchase of Shares was to be carried out in full at any time during the proposed repurchase period. However, the Directors have no current intention to exercise the Share Repurchase Mandate to an extent as would, having regard to the relevant circumstances, have a material adverse effect on the working capital or gearing position of the Company.

## 6. SHARE PRICES

The highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	SHARES	
	Highest HK\$	Lowest HK\$
<b>2010</b>		
April	6.54	6.11
May	6.33	4.65
June	5.59	4.88
July	6.11	5.05
August	6.33	5.85
September	6.24	5.81
October	8.01	6.12
November	8.50	7.33
December	9.75	8.28
<b>2011</b>		
January	14.32	9.43
February	12.80	9.61
March	12.50	10.04
April (up to the Latest Practicable Date)	12.34	11.80

## 7. GENERAL

The Directors have undertaken to the Stock Exchange that they will exercise Share Repurchase Mandate in accordance with the Listing Rules, the Bye-laws of the Company and the applicable laws of Bermuda.

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

As at the Latest Practicable Date, Ko Bee Limited was beneficially interested in 171,872,028 Shares representing approximately 71.14 per cent. of the issued share capital of the Company. In the event that the Share Repurchase Mandate was exercised in full, the shareholding of Ko Bee Limited would be increased to approximately 79.05 per cent. of the issued share capital of the Company. In the opinion of the Directors, such increase would not give rise to a mandatory offer in accordance with the Takeovers Code. However the Directors have no current intention to exercise the Share Repurchase Mandate in full or to the extent that will result in the number of Shares held by the public being reduced to less than 25 per cent.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), presently intend to sell any Shares to the Company under the Share Repurchase Mandate in the event that the Share Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) that they have a present intention to sell any Shares, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Share Repurchase Mandate is approved by the Shareholders.

## **8. SHARE REPURCHASE MADE BY THE COMPANY**

During the six months preceding the Latest Practicable Date, there was no repurchase of its Shares made by the Company (whether on the Stock Exchange or otherwise).

*The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting to be held on Thursday, 19 May 2011*

**FOO Kam Chu, Grace**, aged 67, is the founder and Chairman of the Group and Executive Director of the Company. She is the sole shareholder of the controlling shareholder of the Company. Madam Foo has extensive experience in property market. She has been engaging in the property business in Hong Kong since early 1970s, particularly specialized in the acquisition of old buildings for redevelopment into commercial or residential buildings. Madam Foo is mother of Ms. Chan Wai Ling, Executive Director of the Company. Madam Foo is currently responsible for the Group's overall development direction and strategies. Furthermore, she serves as a standing committee member of Guangzhou Committee of the Chinese People's Political Consultative Conference and has been elected as an honorary citizen of Guangzhou and executive committee member of Guangdong Province (Women) Members Association. She is familiar with the political and economic affairs in the PRC. Madam Foo has not held directorships in other listed public companies in the last three years.

Save as disclosed above, Madam Foo does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Madam Foo has the following interests in shares of the Company within the meaning of Part XV of the SFO, details of which are set out in the Report of the Directors and note 38 to the financial statements in the 2010 Annual Report of the Company accompanying this circular:

**(i) Long Position in shares**

<b>Number of Shares</b>	<b>Approximate Percentage of Shareholding</b>
<b>172,738,630</b>	<b>71.5%</b>

**(ii) Long Position in underlying shares of equity derivatives — share options granted and outstanding**

<b>Number of Share Options</b>	<b>Approximate Percentage of interest in Shares</b>
<b>2,400,000</b>	<b>0.99%</b>

Madam Foo has not entered into a service contract with the Company. Madam Foo's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The emoluments of Madam Foo is determined in accordance with prevailing market conditions and her role and responsibility. The total emoluments of Madam Foo for the year ended 31 December 2010 amounts to HK\$2,722,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (w) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention of the Shareholders in respect of Madam Foo's appointment.

**CHAN Wai Ling**, aged 40, is the executive director of the Company. She is in charge of Hong Kong property department and is responsible for the property development and leasing of Hong Kong properties of the Group. She graduated from the University of Toronto, Canada with a bachelor degree in commerce and also obtained a Master of Business Administration Degree from University of Strathclyde, United Kingdom. Before joining the Group in September 1998, she had worked in an international property consultant firm and had operated her own property investment business for more than five years. She is the daughter of the Group's Chairman. Ms. Chan has not held directorships in other listed public companies in the last three years.

Save as mentioned above, Ms. Chan does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Ms. Chan has the following interests in shares of the Company within the meaning of Part XV of the SFO, details of which are set out in the Report of the Directors and note 38 to the financial statements in the 2010 Annual Report of the Company accompanying this circular:

**Long Position in underlying shares of equity derivatives — share options granted and outstanding**

<b>Number of Share Options</b>	<b>Approximate Percentage of interest in Shares</b>
<b>8,000,000</b>	<b>3.31%</b>

Ms. Chan has not entered into a service contract with the Company. Ms. Chan's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The emoluments of Ms. Chan is determined in

accordance with prevailing market conditions and her role and responsibility. The total emoluments of Ms. Chan for the year ended 31 December 2010 amounts to HK\$2,672,000.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (w) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention to the Shareholders in respect of Ms. Chan's appointment.

**TSE Wai Hang**, aged 46, has been appointed as Executive Director from 23 November 2010. He is in charge of legal and company secretarial department of the Group. Mr. Tse graduated from the University of Hong Kong with a bachelor's degree in laws. He is a qualified solicitor in Hong Kong. He joined the Company in 2010 and has over 20 years experience in the legal field. Mr. Tse has not held any directorships in other listed public companies in the last three years.

Mr. Tse does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Tse has the following interests in shares of the Company within the meaning of Part XV of the SFO, details of which are set out in the Report of the Directors and note 38 to the financial statements in the 2010 Annual Report of the Company accompanying this circular:

**Long Position in underlying shares of equity derivatives — share options granted and outstanding**

<b>Number of Share Options</b>	<b>Approximate Percentage of interest in Shares</b>
<b>50,000</b>	<b>0.02%</b>

Mr. Tse has entered into a service contract with the Company. Mr. Tse's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The emoluments of Mr. Tse is determined in accordance with the prevailing market conditions and his role and responsibility. The total emolument of Mr. Tse for the year ended 31 December 2010 amounts to HK\$337,000.

Saved as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51 (2)(h) to (w) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Tse' appointment.

**CHAN Kai Nang**, aged 65, appointed as Independent Non-Executive Director of the Company on 11 March 2009, received a Postgraduate Diploma in Management Studies from The University of Hong Kong and Bachelor of Laws from the University of London. Mr. Chan is an associate member of The Chartered Institute of Management Accountants in the UK and The Hong Kong Institute of Certified Public Accountants and a fellow member of The Association of Chartered Certified Accountants in the UK. Mr. Chan has been a top level executive with substantial experience in major multinational and local corporations. He had been the regional controller and senior executive of these corporations for many years. Mr. Chan was the executive director of Galaxy Entertainment Group Limited (formerly known as K. Wah Construction Materials Limited) and managing director of K. Wah Construction Materials Limited. The shares of the above-named company are listed on the Stock Exchange. He is currently an adviser of K. Wah Construction Materials Limited. Mr. Chan was also appointed as independent non-executive director of Asian Capital Holdings Limited, the shares of which listed on the Growth Enterprise Market of the Stock Exchange and Prosperity International Holdings (H.K.) Limited, a company listed on Main Board of the Stock Exchange respectively. Save as disclosed above, Mr. Chan has not held directorships in other listed public companies in the last three years.

Mr. Chan does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Chan did not have any interest in the shares of the Company within the meaning of Part XV of SFO.

Mr. Chan has entered into a service contract with the Company. Mr. Chan's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The annual emoluments of Mr. Chan was HK\$80,000 for the year ended 31 December 2010. The emoluments of Mr. Chan is determined in accordance with prevailing market conditions and his role and responsibility.

Save as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51(2) (h) to (w) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention of the Shareholders in respect of Mr. Chan's appointment.

**Mr. NG Chi Keung**, aged 62, appointed as Independent Non-executive Director of the Company on 18 March 2011. Mr. Ng holds a Master Degree in Business Administration and is an associate member of the Hong Kong Institute of Certified Public Accountants, the Institute of Chartered Accountants in England and Wales and the Chartered Institute of Management Accountants. He has over 30 years of financial management experience with renowned multi-national corporations. Mr. Ng was the executive director of Fairwood Holdings Limited for 15 years until his retirement at the end of year 2009 and re-designated as non-executive director after his retirement. Save as disclosed above, Mr. Ng has not held directorships in other listed public companies in the last three years.

Mr. Ng does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company.

As at the Latest Practicable Date, Mr. Ng did not have any interest in the shares of the Company within the meaning of Part XV of SFO.

Mr. Ng has not entered into a service contract with the Company. Mr. Ng's appointment is not for a specific term but subject to retirement by rotation and re-election in accordance with the Bye-laws. The annual emoluments of Mr. Ng amounts to HK\$80,000. The emoluments of Mr. Ng is determined in accordance with the prevailing market conditions and his role and responsibility.

Saved as disclosed above, there is no information that is required to be disclosed pursuant to any of the requirements of Rules 13.51(2)(h) to (w) of the Listing Rules.

Finally, there is no other matter that needs to be brought to the attention to the Shareholders in respect of Mr. Ng' appointment.

The Board is not aware of any other matter relating to the proposed re-election of the above-named Directors that need to be brought to the attention of the Shareholders.

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## APPENDIX III      SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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This Appendix summarizes the principal terms of the New Share Option Scheme but does not form part of, nor was it intended to be, part of the New Share Option Scheme nor should it be taken as effecting interpretation of the rules of the New Share Option Scheme.

### 1. SUMMARY OF TERMS

#### (A) Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is to encourage the Participants (as defined in paragraph (B)) to perform their best in achieving the goals of the Group and at the same time allow the Participants to enjoy the results of the Company attained through their efforts and contributions and to provide the Participants with incentives and help the Company in retaining its existing Employees (as defined in paragraph (B)) and recruiting additional Employees. A stronger business relationship will accordingly be established by the Group with the Participants.

#### (B) Participants of the New Share Option Scheme

The Participants of the New Share Option Scheme to whom option(s) (“Options”) may be granted by the Board shall include:

- (i) any full-time employee and director (including executive director, non-executive director and independent non-executive director or proposed executive director, non-executive director and independent non-executive director) of any member of the Group; and any part-time employee with weekly working hours of 10 hours or above of the Group (“Employee”);
- (ii) any advisor, consultant or agent (in the areas of legal, technical, financial or corporate managerial) to the Group; any provider of goods and/or services to the Group; or, any other person who, at the sole discretion of the Board, has contributed or may contribute to the Group (“Business Associate”);
- (iii) any trustee of any trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any Employee or Business Associate of the Group (“Trustee”).

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The assessment criterion for Business Associates are (a) such person's contribution to the development and performance of the Group; (b) the quality of work performed by such person for the Group; (c) the initiative and commitment of such person in performing his or her duties; and (d) the length of service or contribution of such person to the Group.

### **(C) Maximum number of Shares available for subscription**

- (i) The total number of Shares which may be issued upon exercise of all Options which may be granted under the New Share Option Scheme and options which may be granted under any other share option schemes of the Company shall not exceed 10 per cent. of the total number of Shares in issue as at the adoption date (the "Adoption Date") of the New Share Option Scheme (the "Scheme Mandate Limit") unless the Company obtains a refresh approval from the Shareholders pursuant to paragraph (C)(ii) below. Option lapsed in accordance with the terms of the New Share Option Scheme or any other share option schemes of the Company under which such Options are granted, as the case may be, shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (ii) The Company may seek approval by the Shareholders in general meetings to renew the Scheme Mandate Limit provided that the Scheme Mandate Limit so renewed must not exceed 10% of the Shares in issue at the date of the approval of the renewal by the Shareholders. Upon any such renewal, all Options granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme and any other share option schemes of the Company and exercised options) prior to the approval of such renewal shall not be counted for the purpose of calculating whether the renewed Scheme Mandate Limit has been exceeded. In seeking approval, the Company shall send a circular to the Shareholders.
- (iii) The Company may grant Options to Participant(s) beyond the Scheme Mandate Limit if the grant of such Options is specifically approved by the Shareholders in general meeting. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of

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the identified Participants, the number and terms of the Options to be granted, the purpose of granting Options to the identified Participants, and an explanation as to how these Options serve such purpose.

- (iv) Notwithstanding the foregoing, the maximum number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and options which may be granted and yet to be exercised under any other share option schemes of the Company shall not exceed 30 per cent. of the total number of Shares in issue from time to time. No Options may be granted under any share option schemes of the Company (or its subsidiaries) if this will result in the limit being exceeded.

### **(D) Maximum number of Options to each Participant**

No Participant shall be granted an Option if the total number of Shares issued and to be issued upon exercise of the Options granted and to be granted (including both exercised and outstanding Options) in 12 month period up to and including the date of grant to such Participant would exceed 1 per cent. of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed Participant who accepts the offer of the grant of any Option in accordance with the terms of the New Share Option Scheme (the “Grantee”) and his associates (as defined in the relevant rule of the Listing Rules) abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the proposed Grantee, the number and terms of the Options granted and to be granted. The number and terms of Options to be granted to such proposed Grantee must be fixed before the Shareholders approval and the date of meeting of the Board for proposing such further grant should be taken as the date for the purpose of calculating the Subscription Price (as defined in paragraph (H)).

### **(E) Grant of Options to connected person**

- (i) Any grant of Option to a director, chief executive or substantial shareholder (all with the meaning as ascribed under the Listing Rules) of the Company or any of their respective associates (with the meaning as ascribed under the Listing Rules) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option).

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- (ii) Where any grant of Option is proposed to a substantial shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates (as defined in the Listing Rules) and the proposed grant of Option, when aggregated will result in the 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 grant,
- a. representing in aggregate over 0.1 per cent. of the Shares in issue; and
  - b. having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

then such proposed grant of Option(s) must be subject to approval by Shareholders in a general meeting where all connected persons (as defined in the Listing Rules) of the Company must abstain from voting in favour at such general meeting. The Company must comply with the requirements under Rule 13.40 of the Listing Rules. A Shareholders' circular must be prepared by the Company explaining the proposed grant of Option, disclosing the number and terms (including the Subscription Price and the date of Board meeting for proposing the proposed grant of Options shall be taken as the date of grant for the purpose of calculating the Subscription Price) of the Options proposed to be granted and the recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the Option) as to voting and any other information as required under the Listing Rules.

**(F) Time of acceptance and exercise of an Option**

- (i) An offer of the grant of an Option shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned until 5:00 p.m. the 21st days inclusive of and from the date on which an Option is offered to any Participant provided that

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no such offer shall be open for acceptance after the 10th anniversary of the Adoption Date or after the New Share Option Scheme has been terminated.

- (ii) An Option may be exercised in accordance with the terms and conditions of the New Share Option Scheme at any time during the option period which is such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of grant of the Option and the Board may provide restrictions on the exercise of an Option during the period an Option may be exercised (the “Option Period”).

### **(G) Performance Targets**

There is no performance target that must be achieved before the Options can be exercised and there is no minimum period for which an Option must be held before it can be exercised, unless otherwise determined by the Board.

### **(H) Subscription Price**

The Subscription Price in respect of any particular Option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but in any case the Subscription Price shall not 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 date of grant, which must be a trading day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 trading days immediately preceding the date of grant; or (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board may grant Options in respect of which the Subscription Price is fixed at different prices for certain periods during the Option Period.

### **(I) Rights on Ceasing Employment**

In the event of the Grantee, being an Employee at the date of grant, ceasing to be an Employee for any reason other than his/her death, the option granted to such Grantee shall lapse on the date when such Employee ceased to be an Employee.

**(J) Rights on ceasing to be a Business Associates**

In the event of

- (1) the Grantee, being a Business Associate to the Group under a fixed term contract at the date of grant, ceasing to be a Business Associate by reason of termination or expiry of the term of relevant fixed term contract without an extension or renewal by the Group for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in paragraph (Q)(5), the Grantee may exercise the Option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 2 months following the date of such cessation, which date shall be the date of termination or expiry of the relevant fixed term contract, failing which the Option shall lapse.
- (2) the Grantee, being a Business Associate to the Group not under a fixed term contract, ceasing to be a Business Associate by reason of the Grantee ceasing to provide any further services or goods to the Group as may be determined by the Board and notified to such Business Associate in writing for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in paragraph (Q)(5), the Grantee may exercise the Option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the date of the aforesaid written notification to such Business Associate, failing which the Option shall lapse.

**(K) Rights on ceasing to be a Trustee**

In case where the Grantee is a Trustee and where

- (1) the relevant beneficiary of the Trust is an Employee, and such Employee ceases to be an Employee for any reason other than his/her death, the option granted to such Grantee shall lapse on the date when such Employee ceased to be an Employee.

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- (2) the relevant beneficiary of the Trust is a Business Associate to the Group under a fixed term contract at the date of grant, and such Business Associate ceases to be a Business Associate by reason of termination or expiry of the term of relevant fixed term contract without an extension or renewal by the Group for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in paragraph (Q)(5), the Grantee may exercise the Option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 2 months following the date of such cessation, which date shall be the date of termination or expiry of the relevant fixed term contract, failing which the Option shall lapse.
- (3) the relevant beneficiary of the Trust is a Business Associate to the Group not under a fixed term contract, and such Business Associate ceases to be a Business Associate by reason of the Grantee ceasing to provide any further services or goods to the Group as may be determined by the Board and notified to such Business Associate in writing for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in paragraph (Q)(5), the Grantee may exercise the Option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the date of the aforesaid written notification to such Business Associate, failing which the Option shall lapse.

**(L) Rights on death**

- (1) In the event of the death of the Grantee (provided that none of the events which would be (i) a ground for termination of his/her employment arises in such situation(s) that the Grantee has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant Group Member, prior to his/her death, in the

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case the Grantee is an Employee at the date of grant; or (ii) a ground for the cessation of Business Associate under paragraph (Q)(5) arises prior to his/her death, in the case the Grantee is a Business Associate at the date of grant), the legal personal representative(s) of the Grantee shall be entitled within a period of 6 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised), failing which the Option shall lapse.

- (2) In the case where the Grantee is a Trustee and where the relevant beneficiary of the Trust is an Employee or a Business Associate, and such Employee or Business Associate dies and provided that none of the events which would be (i) a ground for termination of his/her employment arises in such situation(s) that the Grantee has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant Group Member, prior to his/her death, in the case the relevant beneficiary of the Trust is an Employee at the date of grant; or (ii) a ground for the cessation of Business Associate under paragraph (Q)(5) arises prior to his/her death, in the case the relevant beneficiary of the Trust is a Business Associate at the date of grant, the Grantee shall be entitled within a period of 12 months from the date of death to exercise the Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised), failing which the Option shall lapse.

**(M) Rights on general offer**

If a general offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of 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 such offer becomes or is declared unconditional prior to the expiry of the Option, the Grantee (or, as the case may be, his legal personal representatives) shall

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be entitled to exercise the Option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional even though the Option Period has not come into effect during the occurrence of the general offer, failing which the Option shall lapse.

**(N) Rights on winding-up**

If in the event a notice is given by the Company to its members 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 member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee (or where permitted under paragraph (L)(1) his/her legal personal representatives) shall be entitled to exercise all or any of his/her Options (to the extent which has become exercisable and not already exercised) at any time not later than 7 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 Subscription Price for the 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 the relevant Shares to the Grantee credited as fully paid.

**(O) Rights on a compromise or scheme of arrangement**

If an application is made to the court (otherwise than where the Company is being voluntarily wound up) in connection with a proposed compromise or arrangement between the Company and its creditors (or any class of them) or between the Company and its members (or any class of them), the Grantee may by notice in writing to the Company within 21 days after the date of such application, exercise the Option in full (to the extent which has become exercisable and not already exercised) or to the extent specified in such notice, failing which the Option shall lapse.

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**(P) Life of scheme**

The New Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the New Share Option Scheme becomes unconditional.

**(Q) Lapse of Option**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (1) the expiry of the Option Period;
- (2) the expiry of any of the periods referred to in paragraphs (J), (K), (L), (M) and (N);
- (3) subject to paragraph (N), the date of the commencement of the winding-up of the Company;
- (4) in the case the Grantee is an Employee at the date of grant, the date on which the Grantee ceases to be an Employee for any reason other than death;
- (5) in the case the Grantee is a Business Associate to the Group at the date of grant, the date on which the Grantee ceases to be a Business Associate to the Group by reason of breach of contract on the part of the Business Associate or on any one or more of the grounds that he or she or it appears to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her or its creditors generally, or ceases or threaten to cease to carry on his/her/its business, or is wound up, or has an administrator or liquidator being appointed for the whole or any part of his/her/its undertakings or assets, or has been convicted of any criminal offence involving integrity or honesty. A resolution of the board of directors (or a duly authorised committee thereof) of the Company or of the relevant Group member to the effect that the Grantee has or has not been ceased to be the Business Associate to the Group on one or more of the grounds specified in this paragraph (Q)(5) shall be conclusive and binding on the Grantee;

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- (6) where the Grantee is a Trustee and where the relevant beneficiary of the Trust is an Employee or a Business Associate, the date on which the Grantee ceases to be an Employee or the date on which the Grantee ceases to be a Business Associate (as the case may be) by the reason(s) or ground(s) specified in paragraphs (Q) (5) above;
- (7) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in paragraph (O); and
- (8) the date on which the Grantee commits a breach of paragraph (U).

**(R) Reorganization of capital structure**

In the event of any alterations in the capital structure of the Company (other than an issue of Shares as consideration in respect of a transaction to which the Company is a party) pursuant to a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital or otherwise howsoever in accordance with the legal requirements and the requirements of the Listing Rules and the Stock Exchange whilst any Option remains exercisable, such corresponding adjustments (if any) shall be made in:

- (1) the number of Shares subject to the Option so far as unexercised; and/or
- (2) the Subscription Price;

provided that any adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he/she was entitled before such adjustment and that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and in case of any adjustments other than any made on a capitalisation issue, a written confirmation from an independent financial adviser or the auditors of the Company is required to confirm that the adjustment(s) satisfy the relevant requirements under the Listing Rules. The capacity of the independent financial adviser or the auditors of the Company in this paragraph (R) is that of experts and not of arbitrators and their certification shall be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the auditors of the Company shall be borne by the Company.

**(S) Cancellation of Options**

Any cancellation of Options granted but not exercised must be approved by the Board provided that where the Company cancel any Options granted but not exercised in accordance with this paragraph (S) and issue new ones to the same option holder, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders as stated in paragraph (C).

**(T) Termination of the New Share Option Scheme**

The Company may 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 the provisions of the New Share Option Scheme in relation to any outstanding Options shall remain in full force and effect in all other respects and the Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the New Share Option Scheme.

**(U) Transferability of Options**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such Grantee.

**(V) Alteration of the New Share Option Scheme**

The New Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the New Share Option Scheme relating to

- (i) matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants;
- (ii) any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme;

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- (iii) the terms and conditions of the New Share Option Scheme which are of a material nature; or
  
- (iv) any change to the terms of Options granted (except where such alterations take effect automatically under the existing terms of the New Share Option Scheme) shall not be made except with the prior sanction of a resolution by the Shareholders.

The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

**(W) Ranking of Shares**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Bye-laws 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 accordingly will entitle the holders of Options to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.