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## THIS CIRCULAR 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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in iLink Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or the bank, stockbroker or other agent, through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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### **iLink Holdings Limited** **合縱連網控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

## **TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF A NEW SHARE OPTION SCHEME**

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A letter from the board of directors of iLink Holdings Limited is set out on pages 1 to 4 of this circular.

A notice convening an annual general meeting of iLink Holdings Limited to be held on Friday, 3rd May, 2002 at 10:00 a.m. at Hoi Yat Heen, 3rd Floor, Harbour Plaza North Point, 665 King's Road, North Point, Hong Kong for the purpose of, inter alia, considering the termination of the existing share option scheme and adoption of a new share option scheme, is set out on pages 71 to 74 of the accompanying annual report of iLink Holdings Limited for the year ended 31st December, 2001. Whether or not you are able to attend the meeting, please complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the head office and principal place of business of iLink Holdings Limited in Hong Kong at 56th Floor, The Center, 99 Queen's Road Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjourned meeting thereof. Completion and return of the proxy form will not prevent you from attending and voting at the meeting in person if you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website for at least 7 days from the date of its posting.

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## CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET OF THE STOCK EXCHANGE OF HONG KONG LIMITED

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**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

**The principal means of information dissemination on GEM is publication on the Internet website operated by the Stock Exchange. Listed companies are not generally required to issue paid announcements in gazetted newspapers. Accordingly, prospective investors should note that they need to have access to the GEM Website in order to obtain up-to-date information on GEM-listed issuers.**

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**iLink Holdings Limited**  
**合縱連網控股有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

*Executive Directors:*

CHUNG Cho Yee, Mico (*Chairman*)  
TAM Wai Keung, Billy (*Chief Executive Officer*)  
LEE Brandon  
LEUNG Man Leuk, Tommy  
HUI Kwai  
TANG King Fai

*Registered office:*

Ugland House  
South Church Street  
P.O. Box 309  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Non-Executive Directors:*

CHEN Johnson  
CHEUNG Sum, Sam

*Head Office and*

*Principal Place of Business:*  
56th Floor  
The Center  
99 Queen's Road Central  
Hong Kong

*Independent Non-Executive Directors:*

CHENG Kai Ming, SBS, JP  
WONG Wing Shing

28th March, 2002

*To the shareholders of the Company*

Dear Sir or Madam,

**TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
AND  
ADOPTION OF A NEW SHARE OPTION SCHEME**

**INTRODUCTION**

The Rules (the "GEM Listing Rules") Governing the Listing of Securities on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") contain provisions to regulate the adoption and operation by companies with primary listings on GEM of employee share option scheme. The directors (the "Directors") of iLink Holdings Limited (the "Company") note that the Stock Exchange on 25th September, 2001 announced amendments to Chapter 23 of the GEM Listing Rules, regarding share option schemes, which came into effect on 1st October, 2001.

\* For identification purpose only

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## LETTER FROM THE BOARD OF DIRECTORS

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The purpose of this circular is to provide you with information relating to the proposed termination by the Company of its existing share option scheme and adoption of a new share option scheme (the “New Scheme”) in its place.

### **TERMINATION OF THE EXISTING SHARE OPTION SCHEME AND ADOPTION OF A NEW SHARE OPTION SCHEME**

Following the amendments to Chapter 23 of the GEM Listing Rules, the Company will no longer be allowed to grant options under the existing share option scheme, which was adopted on 22nd February, 2001 with a scheme period of 10 years, unless the requirements of the amended rules are complied with.

Accordingly, the Directors propose to terminate the existing share option scheme of the Company and to adopt the New Scheme for the benefit of employee, officer or consultant of the Company or its subsidiaries (“the Group”), including any executive or non-executive directors of any member of the Group (the “Participants”).

As at 25th March, 2002 (the “Latest Practicable Date”), being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein, no options had ever been granted by the Company under the existing share option scheme and no shares of the Company have been issued pursuant to the existing share option scheme. Until the New Scheme is adopted at the annual general meeting of the Company to be held on 3rd May, 2002 (the “Annual General Meeting”), the Directors will not grant any options under the existing share option scheme.

A summary of the principal terms of the New Scheme is set out in the appendix to this circular.

The terms of the New Scheme do not require the Participants to achieve any performance target before they are entitled to exercise their options. The Directors believe that the minimum subscription price for shares of HK\$0.02 each (or of such other nominal amount as shall result from a sub-division or a consolidation of such shares from time to time) in the capital of the Company (the “Shares”) under the options that can be granted under the New Scheme, the minimum period for which such options must be held before they can be exercised and the selection criteria for the Participants prescribed in the New Scheme will serve to achieve the purpose of the New Scheme.

Application will be made to the Stock Exchange for the approval of the listing of and permission to deal in any shares of the Company which may fall to be issued pursuant to the exercise of options granted under the New Scheme.

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## LETTER FROM THE BOARD OF DIRECTORS

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### VALUE OF OPTIONS THAT MAY BE GRANTED UNDER THE NEW SCHEME

The Directors consider it inappropriate to value all the options that can be granted under the New Scheme on the assumption that they were granted as at the Latest Practicable Date as a number of factors, such as the timing of exercise of options, crucial for the valuation cannot be determined. Also given the trading volume of the Shares since its listing on GEM, it is not appropriate to come up with a meaningful expected volatility for the calculation of the option value. Accordingly, any valuation of the options that can be granted under the New Scheme based on various speculative assumptions would not be meaningful but would be misleading to the shareholders of the Company (the “Shareholders”).

### ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting to be held on Friday, 3rd May, 2002 for the purpose of, inter alia, considering and, if thought fit, passing the ordinary resolution to approve the termination of the existing share option scheme and the adoption of the New Scheme and to authorize the Directors to grant options to subscribe for the Shares under the New Scheme and to allot, issue and deal with the new Shares pursuant to the exercise of options that may be granted under the New Scheme, is set out on pages 71 to 74 of the accompanying annual report of the Company for the year ended 31st December, 2001.

A proxy form for use at the Annual General Meeting is enclosed with the aforesaid annual report. If you intend to appoint a proxy to attend the Annual General Meeting, you are requested to complete the proxy form and return it to the Company’s head office and principal place of business at 56th Floor, The Center, 99 Queen’s Road Central, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting (as the case may be). Completion and return of the proxy form will not prevent you from attending and voting at the Annual General Meeting if you so wish.

### DOCUMENT AVAILABLE FOR INSPECTION

A copy of the New Scheme will be available for inspection during normal business hours at the head office and the principal place of business of the Company at 56th Floor, The Center, 99 Queen’s Road Central, Hong Kong from the date of this circular up to and including the date of the annual general meeting.

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## LETTER FROM THE BOARD OF DIRECTORS

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### RECOMMENDATION

The Directors believe that the New Scheme is in compliance with the GEM Listing Rules relating to share option schemes and its adoption is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders should vote in favour of the ordinary resolution numbered 7 set out in the aforesaid notice of the Annual General Meeting.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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:

- (a) the information contained in this circular is accurate and complete in all material respects and not misleading;
- (b) there are no other matters the omission of which would make any statement in this circular misleading; and
- (c) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### GENERAL

Your attention is also drawn to the Appendix to this circular.

Yours faithfully,  
By Order of the Board  
**TAM Wai Keung, Billy**  
*Director and Chief Executive Officer*

The following is a summary of the principal terms of the New Scheme:

**(a) Purpose**

The purpose of the New Scheme is to provide incentives to Participants to contribute to the Group and to enable the Group to recruit high-calibre employees and attract human resources that are valuable to the Group.

**(b) Who may join**

The Board may grant (subject to acceptance in accordance with the terms of the New Scheme) an option to subscribe for such number of Shares as it may determine at a price determined in accordance with paragraph (d) below to any Participant who, the Board may determine in its absolute discretion,

- (i) will make or has made valuable contribution to the business of the Group based on his performance and/or years of service; or
- (ii) is regarded as valuable human resources of the Group based on his work experience, knowledge in the industry and other relevant factors,

subject to such conditions as the Board may think fit, provided that no grants shall be made except to such number of Participants and in such circumstances that: the Company will not be required under applicable securities laws and regulations to issue a prospectus or other offer document in respect thereof; and will not result in the breach by the Company or its directors of any applicable securities laws and regulations or in any filing or other requirements arising.

**(c) Payment on acceptance of option**

HK\$1.00 is payable by the Participant who accepts the grant of an option in accordance with the terms of the New Scheme (the “Grantee”) on acceptance of the grant of an option.

**(d) Subscription Price**

The subscription price for the Shares under the options to be granted under the New Scheme will be a price determined by the board of Directors of the Company (the “Board”) and notified to a Participant at the time the grant of the options is made to (and subject to acceptance by) the Participant and will be at least the highest of: (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets on the date of the grant of the option, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the date of the grant of the option; and (c) the nominal value of the Shares.



**(e) Maximum number of Shares subject to the New Scheme**

The limit on the total number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Scheme and any other share option schemes of any member of the Group must not exceed 30% of the number of issued Shares from time to time. Options lapsed or cancelled in accordance with the terms of the relevant share option scheme shall not be counted for the purpose of calculating the said 30%-limit.

In addition, subject as provided below in this paragraph (e), the total number of Shares which may be issued upon exercise of all options to be granted under the New Scheme, together with all options to be granted under any other share option schemes of any member of the Group, must not represent more than 10% of the nominal amount of all the issued Shares as at 3rd May 2002, being the date of adoption of the New Scheme by the Shareholders (the “Scheme Mandate Limit”). Therefore, it is expected that the Company may grant options in respect of up to 526,737,461 Shares, representing 10% of the nominal amount of all the issued Shares as at the date of approval of the New Scheme by the Shareholders, to Participants under the New Scheme. Options lapsed in accordance with the terms of the relevant share option scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The Company may refresh the Scheme Mandate Limit (or further refresh a refreshed Scheme Mandate Limit) at any time, subject to prior Shareholders’ approval given at a general meeting of the Company in accordance with the relevant provisions of the GEM Listing Rules, provided that the maximum number of Shares which may be issued under options to be granted under the New Scheme (when aggregated with any Shares which may be issued under options to be granted under any other share option scheme(s) of any member of the Group) under the limit as refreshed must not exceed 10% of the number of issued Shares as at the date of the approval of the refreshed limit, excluding any Shares that are subject to options previously granted (subject to acceptance) under the New Scheme or any other share option scheme(s) of any member of the Group (whether the options are outstanding, cancelled or lapsed or have been exercised). The Company may also seek separate approval from the Shareholders in general meeting in accordance with the relevant provisions of the GEM Listing Rules for granting options beyond the Scheme Mandate Limit (or refreshed Scheme Mandate Limit) to such Participants, in respect of such number of Shares and on such terms as may be specified in such approval.

The total number of Shares issued and which may be issued upon exercise of all options (whether exercised, cancelled or outstanding) granted under the New Scheme and any other share option schemes of any member of the Group in any 12-month period immediately preceding any proposed date of the grant (subject to acceptance) of options

to each Participant must not exceed 1% of the number of Shares in issue as at the proposed grant date. Any further grant of options in excess of this limit is subject to prior Shareholders' approval given at a general meeting of the Company in accordance with the relevant provisions of the GEM Listing Rules, with the relevant Participant and his associates (as defined in the GEM Listing Rules) abstaining from voting.

**(f) Exercise of option**

An option may be exercised in whole or in part in accordance with the terms of the New Scheme at any time during a period commencing 1 year after the date of grant of options and expiring on the date which is 10 years from the date of the grant in accordance with the following schedule (each year below refers to each successive period of twelve months, the first such period commencing on the date of grant of options):

<b>Period since date of grant of options</b>	<b>Percentage of Shares comprised in options which become exercisable (subject to revision by the Board from time to time)</b>
First year	Zero
After the first year	Up to one third
After the second year	Up to two thirds (less the percentage of Shares which arose upon the exercise of options between the first anniversary and the second anniversary)
After the third year	All Shares in respect of which the option has not been previously exercised

The right to exercise an option is not subject to or conditional upon the achievement of any performance target.

**(g) Rights are personal to Grantee**

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

**(h) Rights on ceasing employment or other engagement**

If the Grantee ceases to be an employee (including any executive Director), officer (including any non-executive Director) or consultant of the relevant member of the Group for any reason other than his death, or termination of his employment, office or consultancy on one or more of the grounds specified in the New Scheme, the Grantee may exercise the option up to his entitlement (or where the option period has not yet commenced, prospective entitlement under the option) at the date of cessation (to the extent not already exercised) from the later of the date of commencement of the option period and the date of such cessation until whichever is the earlier of the date of expiry of the option period or the last day of the period of 3 months (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual day of employment, office or consultancy with the relevant member of the Group whether payment in lieu of notice is made or not (if applicable).

For the purposes of this paragraph (h), a Grantee shall not be regarded as ceasing to be an employee (including any executive director), officer (including any non-executive director) or consultant of the relevant member of the Group if he ceases to hold a position of employment, office or consultancy with a particular member of the Group but at the same time takes up a different position of employment, office or consultancy with another member of the Group.

**(i) Rights on death**

If the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director) or consultant of the relevant member of the Group by reason of death and none of certain events which would be a ground for termination of his employment, office or consultancy specified in the New Scheme arises, his/her legal personal representative(s) shall be entitled until whichever is the earlier of the date of expiry of the option period or the last day of the period of 12 months from the date of death (or such longer period as the Board may determine) to exercise the option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such option.

**(j) Rights on takeover**

If a general offer to acquire Shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) 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 concert with the offeror) and such offer, having been approved in accordance with applicable

laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representatives) shall be entitled to exercise the option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the option period or the last day of the period of 14 days after the date on which the offer becomes or is declared unconditional, after which the option shall lapse.

**(k) Rights on winding up**

If 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 and thereupon, each Grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than five 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.

**(l) Effects of alterations to capital**

Subject to the limits on the number of Shares subject to the New Scheme described in paragraph (e) above, in the event of any capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction), such corresponding adjustments (if any) will be made to the number of Shares subject to the New Scheme, the Shares to which the option relate, the number of Shares subject to outstanding options, the subscription price in relation to each outstanding option and/or the method of exercise of the options, provided that no adjustment shall be made to the extent that the effect of such adjustment would be to enable a Share to 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 to which he was previously entitled. In respect of any adjustment required by the foregoing provisions, other than any made on a capitalisation issue, an independent financial adviser or the auditors for the time being of the Company must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso.

**(m) Lapse of options**

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

- (i) the expiry of the option period;
- (ii) the expiry of any of the other periods referred to in paragraphs (h), (i) or (j) above;
- (iii) subject to paragraph (k) above, the date of commencement of the winding-up of the Company;
- (iv) save as otherwise provided in paragraph (j) above, or by the court in relation to the scheme in question, upon the sanctioning pursuant to the Companies Law by the Grand Court of the Cayman Islands of a compromise or arrangement between the Company and its members or creditors 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;
- (v) the date on which the Grantee ceases to be an employee (including any executive director), officer (including any non-executive director) or consultant of the relevant member of the Group by reason of the termination of his employment, office or consultancy on certain grounds specified in the New Scheme including, but not limited to, misconduct, bankruptcy, insolvency, having made any arrangement or composition with his creditors and conviction of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his/her employment, office or consultancy at common law or pursuant to applicable laws or under the Grantee's contract, agreement or arrangement with the relevant member of the Group; or
- (vi) the date on which the Board exercises the Company's right to cancel the option because of a breach by the Grantee of the rules summarised in paragraph (g) above.

**(n) Ranking and voting rights of Shares**

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Company's articles and will rank *pari passu* with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other

distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, 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, or, if later, before the date of registration of the allotment in the register of members of the Company.

A Share issued upon the exercise of an option shall not carry any voting rights until the registration of the Grantee (or any other person) as the holder thereof.

**(o) Cancellation of options**

The Board may effect the cancellation of any options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels any options granted but not exercised and grants new options to the same Grantee, the grant of such new options may only be made under the New Scheme if there is available unissued options (excluding the cancelled options) within each of the 10%-limits as referred to in paragraph (e) above.

**(p) Alteration to the New Scheme**

The terms of 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 23.03 of the GEM Listing Rules shall not be altered to the advantage of Participants unless with the prior sanction of a resolution of the Shareholders in general meeting.

Any alterations to the terms and conditions of the New Scheme which are of a material nature or any change to the terms of options granted must first be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Scheme.

The amended terms of the New Scheme or the options must still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules.

Any change to the authority of the Board in relation to any alteration to the terms of the New Scheme must first be approved by the Shareholders in general meeting.

**(q) Termination of the New Scheme**

The Company by resolution of its shareholders in general meeting or of the Board may at any time terminate the operation of the New Scheme and in such event no further options will be granted or accepted but the provisions of the New Scheme shall remain in force in all other respects. All options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the New Scheme.

**(r) Period of the New Scheme**

Subject to termination as referred to in paragraph (q) above, the New Scheme shall be valid and effective for a period of ten years commencing on 3rd May, 2002 (being the date of approval of the New Scheme by the Shareholders), after which period no further options will be granted; and thereafter for so long as there are outstanding any unexercised options granted and accepted pursuant thereto prior to the expiration of the said ten-year period and in order to give effect to the exercise of any such options or otherwise as may be required in accordance with the provisions of the New Scheme.

**(s) Conditions**

The New Scheme is conditional upon, it being approved by the Shareholders of in general meeting of an ordinary resolution to approve the adoption of the New Scheme; and the Stock Exchange granting the listing of and permission to deal in any Shares to be issued pursuant to the exercise of options under the New Scheme.

**(t) Restrictions on the timing of grant of option**

A grant (subject to acceptance) of options may not be made after a price sensitive event or a price sensitive matter in relation to the securities of the Company has been the subject of a decision, until such price sensitive information has been published in the newspapers. In particular, no option may be granted within the period commencing one month immediately preceding the earlier of: (i) the date of the Board meeting for the approval of the Company's half-yearly, quarter-yearly or annual results; and (ii) the deadline for the Company to publish its half-yearly, quarter-yearly or annual results announcement, and ending on the date of the results announcement.

**(u) Grant of options to connected persons**

Where any grant of options is proposed to be made to a Participant who is a director, chief executive, management shareholder or substantial shareholder of the Company, or any of their respective associates, such grant must first be approved by all the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the options).

If the grant of options is to be made to a Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, which would 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 under the New Scheme and any other scheme(s) of any member of the Group in the 12-month period up to and including the proposed date of the grant (subject to acceptance) of the options: (i) representing in aggregate over 0.1% of the number of Shares then in issue; and (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on each relevant date of the grant (subject to acceptance) of the options, in excess of Hong Kong Dollars 5 million, then such grant of options must first be approved by the Shareholders in general meeting with all the connected persons of the Company abstaining from voting on the proposed grant (except that any such connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular required to be issued pursuant to the GEM Listing Rules). Any vote taken at the meeting to approve the proposed grant of such options must be taken on a poll. In addition, any proposed change in the terms of options granted to a Participant who is a substantial shareholder or an independent non-executive Director, or any of their respective associates, must first be approved by the Shareholders in general meeting on a similar basis (as to abstention and voting by poll) as stated above.