
THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in Euro-Asia Agricultural (Holdings) Company Limited, you should at once hand this circular and the enclosed form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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.



Euro-Asia Agricultural (Holdings) Company Limited

歐亞農業(控股)有限公司*

(incorporated in Bermuda with limited liability)

Adoption of Share Option Scheme

A letter from the Board is set out on pages 1 to 3 of this circular:

A notice convening a special general meeting of the Company to be held at Plaza Room, Plaza Conference Center, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 5 August 2002 at 10:00 a.m. is set out on pages 4 to 5 of this circular. A form of proxy is also enclosed. Whether or not you are able to attend and vote at the special general meeting, you are requested to complete the enclosed proxy form and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the special general meeting. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the special general meeting or any adjourned meetings should you so wish.

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DEFINITIONS

In this circular, except where the context otherwise requires, the following terms shall have the following meanings:

“Associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Company”	Euro-Asia Agricultural (Holdings) Company Limited, an exempted company incorporated in Bermuda with limited liability
“Connected Person”	has the meaning ascribed thereto in the Listing Rules;
“Directors”	the director(s) of the Company
“Eligible Participants”	has the meaning ascribed thereto in paragraph (b) of Appendix to this circular
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Invested Entity”	any entity in which any member of the Group holds an equity interest
“Latest Practicable Date”	17 July 2002, being the latest practicable date for ascertaining certain information in this circular
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time)
“Main Board”	the main board of the stock market operated by the Stock Exchange in parallel with the growth enterprise market board
“Mr. Yang Bin”	the chairman of the Company, the sole shareholder of Wise Capital and the ultimate controlling shareholder of the Company
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 9 July 2001
“SDI Ordinance”	the Securities (Disclosure of Interests) Ordinance (Chapter 396 of the Laws of Hong Kong)

DEFINITIONS

“SGM”	the special general meeting of the Company for the approval of the Share Option Scheme to be held at Plaza Room, Plaza Conference Center, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 5 August 2002 at 10:00 a.m., notice of which is set out on pages 4 to 5 of this circular
“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction (as the case may be);
“Share Option Scheme”	the share option scheme of the Company to be approved by the Shareholders and adopted by the Board at the SGM, a summary of the principal terms of which is set out in Appendix to this circular
“Shareholders”	holders of the Shares
“subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning ascribed thereto in the Companies Ordinance (Cap.32 of the Laws of Hong Kong) or the Companies Act) of the Company, whether incorporated in Hong Kong, Bermuda or elsewhere
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Wise Capital”	Wise Capital Investments Limited, a company incorporated in Mauritius with limited liability which is beneficially wholly-owned by Mr. Yang Bin
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD



Euro-Asia Agricultural (Holdings) Company Limited

歐亞農業(控股)有限公司*

(incorporated in Bermuda with limited liability)

Directors:

Executive Directors

YANG Bin (*Chairman*)

CHEN Jun

YAN Chuang

GU Zhuping

LIU Gui Fen

LI Gang

SANG Shu Hua

SUN Jian

CHIU Wing Chor

LAM Pui Man

Non-Executive Director

WONG Hon Sum

Independent non-executive Directors

LI Wei Bin

WANG Xiao Jun

Registered Office:

Cedar House

41 Cedar Avenue

Hamilton HM 12

Bermuda

Principal place of

business in Hong Kong:

Unit 2703-2706

Office Tower

Convention Plaza

1 Harbour Road

Wanchai, Hong Kong

19 July 2002

* For Identification purposes only

To the Shareholders

Dear Sir or Madam,

ADOPTION OF SHARE OPTION SCHEME

INTRODUCTION

The Directors propose to seek the approval of the Shareholders for the adoption of the Share Option Scheme at a SGM to be held at Plaza Room, Plaza Conference Center, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 5 August 2002 at 10:00 a.m.. The purpose of this circular is to provide information regarding the Share Option Scheme and to seek your approval of the relevant resolutions relating to the Share Option Scheme to be proposed at the SGM.

LETTER FROM THE BOARD

SHARE OPTION SCHEME

The Directors propose to seek the approval of the Shareholders for the adoption of the Share Option Scheme, the provisions of which will comply with the requirements of the Listing Rules and any requirements under the relevant and applicable laws of Bermuda. A summary of the principal terms of the Share Option Scheme is set out in Appendix to this circular.

The Directors believe that attracting and motivating high quality personnel is a key in the success and growth of the Company. The Directors believe that the Share Option Scheme could provide Eligible Participants, which would include those who are not employees or executive directors of the Group, with the opportunity of participating in the growth of the Company by acquiring shares in the Company and could, in turn, assist in the attraction and retention of Eligible Participants who have made contribution to the success of the Company.

The purpose of the Share Option Scheme is to provide incentives to the Eligible Participants to contribute further to the Company and to recognise past contribution. To ensure that this purpose is achieved by granting options to Eligible Participants who are regarded as valuable human resources of the Group based on their years of service, work experience and knowledge in the industry or who have contributed to the growth and success of the Group based on their performance, provision of goods and services, term of relationship with the Group and other relevant factors, the rules of the Share Option Scheme provide that the Board is empowered with the authority to determine the terms and conditions of any option based in each case on relevant factors as the Board considers appropriate. The Board believes that the authority given to the Board under the Share Option Scheme to specify the Eligible Participants to whom options may be granted, the number of Shares subject to each option, the date on which options shall be granted, any minimum holding period and/or performance targets as conditions in any option granted and the requirement for a minimum subscription price and the basis for determining the subscription price prescribed by the rules of the Share Option Scheme will serve to protect the value of the Company as well as to achieve the purpose of the Share Option Scheme.

The Directors consider that it is not appropriate to state the value of all options that can be granted pursuant to the Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding, or any calculation of, the value of the options as at the Latest Practicable Date will not be meaningful and may be misleading to the Shareholders, taking into account the fact that a number of variables which are crucial for the calculation of the option value have not yet been determined. Such variables include but are not limited to the exercise price, exercise period, any lock-up period, any performance targets set and other relevant variables such as the fact that the options may become lapsed or cancelled prior to the normal expiry of their respective option periods on the happening of certain events as specified in the Share Option Scheme which are not predictable or controllable by the Directors.

LETTER FROM THE BOARD

CONDITIONS OF THE SHARE OPTIONS SCHEME

The adoption and implementation of the Share Option Scheme is subject and conditional upon:

- (a) the passing by the Shareholders at the SGM of the ordinary resolution set out in the notice of the SGM approving the Share Option Scheme; and
- (b) the granting by the Listing Committee of the listing of, and permission to deal in, any Shares which may be issued upon the exercise of any options up to 10% of the Shares in issue as at the date of the SGM granted under the Share Option Scheme on the Main Board.

SPECIAL GENERAL MEETING

The Directors have resolved to convene the SGM to consider and, if thought fit, to approve and adopt the Share Option Scheme. Notice of the SGM is set out on pages 4 to 5 of this circular. Whether or not you are able to attend and vote at the SGM, you are requested to complete the enclosed proxy form and return it to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the SGM. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the SGM or any adjourned meetings should you so wish.

RECOMMENDATION

The Board considers that the adoption of the Share Option Scheme will be in the interests of the Company and the Shareholders as a whole.

Accordingly, the Board recommends that the Shareholders vote in favour of the resolutions set out in the notice of the SGM.

By the Order of the Board
Euro-Asia Agricultural (Holdings) Company Limited
Yang Bin
Chairman

NOTICE OF SPECIAL GENERAL MEETING



Euro-Asia Agricultural (Holdings) Company Limited

歐亞農業(控股)有限公司*

(incorporated in Bermuda with limited liability)

NOTICE IS HEREBY GIVEN that a special general meeting of the Company will be held at Plaza Room, Plaza Conference Center, 35th Floor, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on 5 August 2002 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution:

ORDINARY RESOLUTION

“THAT:

subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of and permission to deal in the shares of the Company to be issued pursuant to the exercise of any options granted under the share option scheme of the Company (the “Scheme”), up to 10% of the shares of the Company in issue as at the date of adoption of the scheme, the rules of which are contained in the document marked “A” produced to the meeting and for the purposes of identification signed by the chairman of the board of directors of the Company and as described in the summary of the Scheme circulated to the shareholders of the Company on 19 July 2002, the Scheme BE AND IS HEREBY approved and adopted;

AND THAT

the directors BE AND ARE HEREBY authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Scheme, for and on behalf of the Company, including, but without limitation:-

- (1) to administer the Scheme under which options may be granted to Eligible Participants (as defined in the Scheme) to subscribe for shares in the capital of the Company;
- (2) to modify and/or amend the Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the Scheme relating to modification and/or amendment;
- (3) to make application at the appropriate time or times to the Stock Exchange, and any other stock exchanges upon which the issued shares of the Company may for the time being be listed, for listing of, and permission to deal in, any shares of the Company which may hereafter from time to time be issued and allotted pursuant to the exercise of any options granted under the Scheme; and

NOTICE OF SPECIAL GENERAL MEETING

- (4) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the Scheme.”

Yours faithfully,
For and on behalf of the Board
Yang Bin
Chairman

Hong Kong, 19 July 2002

** For Identification purposes only*

Notes:

1. Every member entitled to attend and vote at the special general meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. In order to be valid, a form of proxy together with any power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the special general meeting.
3. Completion and deposit of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the special general meeting convened or any adjournment thereof, and in such event, the form of proxy will be deemed to be revoked.
4. Where there are joint holders of any share of the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
5. A copy of the Scheme referred to in the above Ordinary Resolution will be available for inspection at Boughton Peterson Yang Anderson at 1702 Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong from 19 July 2002 and at the special general meeting.

The following is a summary of the principal terms of the Share Option Scheme proposed to be adopted by the Shareholders at the SGM.

(a) Purpose of the share option scheme

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives to contribute further to the Company and to recognise past contribution.

(b) Who may join

The Directors may, at their absolute discretion, invite any person belonging to any of the following classes of participants (the “Eligible Participants”), to take up options to subscribe for Shares:

- (i) any employee or officer (whether full time or part time, and including any executive director) of any member of the Group or any Invested Entity;
- (ii) any non-executive directors (including independent non-executive directors) of any member of the Group or any Invested Entity;
- (iii) any supplier of goods or services to any member of the Group or any Invested Entity;
- (iv) any customer of any member of the Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity;
- (vi) any holder of any securities or securities convertible into securities issued by any member of the Group or any Invested Entity,

and, for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants.

The basis of eligibility of any of the above class of Eligible Participants to the grant of any options shall be determined by the Directors from time to time.

(c) Maximum number of Shares

- (i) The total number of Shares which may be issued upon exercise of all options under the Share Option Scheme and any other share option scheme of the Group (the “Aggregate Options”) shall not in any event exceed: (a) where upon the exercise of all the Aggregate Options to be granted, 10% of the Shares in issue as at the date of approval of the Share Option Scheme (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) (the “10% Limit”); and (b) where upon the exercise of all outstanding Aggregate Options already granted and yet to be exercised, 30% of the Shares in issue from time to time (the “30% Limit”). No option may be granted under any schemes of the Group if such grant would result in the 30% Limit being exceeded.

- (ii) Without prejudice to (iii) below, the Company may, after issuing a circular containing the information required by the Listing Rules to the Shareholders, seek approval of the Shareholders in general meeting to refresh the 10% Limit (the “Refreshed Limit”) provided that the total number of Shares which may be issued upon exercise of all the Aggregate Options to be granted under the Refreshed Limit shall not exceed 10% of the Shares in issue as at the date of approval of the Refreshed Limit and provided that, assuming all such Aggregate Options to be granted under such Refreshed Limit have been granted, the 30% Limit is not exceeded. For the purpose of calculating the Refreshed Limit, any of the Aggregate Options (including those options outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted will not be counted.
- (iii) Without prejudice to (ii) above, the Company may, at any time, after issuing a circular containing the information required by the Listing Rules to the Shareholders, seek separate Shareholders’ approval in general meeting to grant options in respect of which the number of Shares falling to be issued would exceed the 10% Limit (or, if applicable, the Refreshed Limit) to certain Eligible Participants provided such options in excess of the 10% Limit (on the Refreshed Limit, as the case may be) are granted only to those Eligible Participants specifically identified by the Company before such approval is sought. Such circular shall contain a generic description of the specifically identified Eligible Participants to whom such options are to be granted, the number and terms of such options, the purpose of granting such options to the specifically identified Eligible Participants with an explanation as to how the terms of such options serve such purpose, a statement in the form set out in paragraph 2 of Appendix 1, Part B of the Listing Rules and the disclaimer set out in rule 17.02(4) of the Listing Rules.

(d) Maximum entitlement of each Eligible Participant

Unless approved by the Shareholders, the total number of Shares issued and to be issued upon exercise of all the options granted to any Eligible Participant under the Share Option Scheme (including both exercised and outstanding options) in any 12-month period exceeding 1% of the total number of Shares in issue for the time being (“Maximum Entitlement”). Any further grant of options to an Eligible Participant which would result in the total number of Shares issued and to be issued in respect of the exercise of all options granted and to be granted to such Eligible Participant (including exercised and outstanding options) under the Share Option Scheme in any 12-month period ending on and including the date of such further grant exceeding the Maximum Entitlement shall be separately approved by the Shareholders in general meeting of the Company with such Eligible Participant and his Associates abstaining from voting. The Company must issue a circular to the Shareholders containing the information required by the Listing Rules.

(e) Grant of options to a director, chief executive or substantial shareholder of the Company, or any of their respective Associates

- (i) Any grant of options under the Share Option Scheme and any other schemes to a director, chief executive or substantial shareholder (excluding a proposed Director or Chief Executive) of the Company, or any of their respective Associates, shall be approved by independent non-executive directors of the Company (excluding any independent non-executive director who is the proposed grantee of the options).

(ii) Where any grant of options to a substantial shareholder or an independent non-executive director of the Company, or any of their respective Associates, 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 in the 12-month period up to and including the date of such grant:

(aa) representing in aggregate over 0.1% of the Shares in issue; and

(bb) having an aggregate value, based on the closing price of the Shares at the date of such grant, in excess of HK\$5 million,

such grant shall be approved by the Shareholders at a general meeting. The Company shall send a circular to the Shareholders and all connected persons of the Company shall abstain from voting at such general meeting, except that any connected person may vote against the relevant resolutions at the general meeting provided that his intention to do so has been stated in the circular. Any vote taken at the general meeting to approve such grant shall be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of the Company, or any of their respective Associates, must be approved by the Shareholders in general meeting in the manner set forth above.

(f) Acceptance and exercise of option

(i) An offer for the grant of an option shall be deemed to have been accepted when the duplicate letter of the offer is duly completed, signed and returned with the payment of HK\$1.00 as consideration within 21 days from the date of offer. Upon acceptance of such offer in the foregoing manner, the date of grant of the option will be deemed to be the date of offer.

(ii) An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period (the "Option Period") (which may not expire later than 10 years from the date of grant) to be determined and notified by the Directors to each grantee or, in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of: (a) the date on which such option lapses, and (b) 10 years from the date of grant of that option.

(iii) No option shall be exercised by any grantee unless and until such grantee has already held such option to be exercised for a minimum period of 14 days from and including the relevant date of grant of such option or such any other period as the Company may determine from time to time.

(g) Performance targets

Subject to sub-paragraph (f)(iii) above, the Board may in its absolute discretion determine the performance targets which may be required to be achieved before an option granted may be exercised.

(h) Exercise price for Shares

The price per Share payable on the exercise of an option under the Share Option Scheme shall be a price determined by the Directors, but shall not be less than the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet (the "Closing Price") on the date of grant, which must be a business day; (ii) the average of the Closing Price for the five business days immediately preceding the date of the grant; and (iii) the nominal value of one Share.

(i) Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the by-laws of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the option is duly exercised (the "Exercise Date"), and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. Shares allotted upon the exercise of an option shall not carry voting rights until the name of the grantee has been entered on the register of the Company as the holder thereof.

(j) Restrictions on the time of grant of options

A grant or offer for grant of options shall not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published in such manner as required under the Listing Rules. In particular, no option may be granted by the Company during the period commencing one month immediately preceding the earlier of: (i) the date of the Board meeting of the Company (as such date is first notified to the SEHK in accordance with the Company's listing agreement with the SEHK) for the approval of the Company's interim or annual results, and (ii) the deadline for the Company to publish its interim or annual results announcement under its listing agreement, and ending on the date of the relevant results announcement, which said period shall cover any period of delay in the publication of the relevant results announcement.

(k) Period of the Share Option Scheme

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

(l) Rights on ceasing employment on certain named grounds

If a grantee of an option ceases to be an Eligible Participant by reason of such grantee's employment or service agreement with the Group or any member thereof or any Invested Entity being terminated on one or more of the following grounds:

that the grantee has: (i) been guilty of persistent or serious misconduct; or (ii) committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally; or (iii) been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group or any member thereof or the Invested Entity into disrepute),

before exercising his option in full, the option (to the extent not already exercised) shall lapse immediately on the date of termination and shall not be exercisable unless the Directors otherwise determine, in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such termination (which date shall be taken to be the last day on which the grantee was actually at work with any member of the Group or the Invested Entity whether salary is paid in lieu of notice or not), or the grantee may, if any of the events referred to in paragraph (p) or (q) occur during such period determined by the Directors, exercise the option pursuant to paragraph (p) or (q), as the case may be.

(m) Rights on ceasing to be an eligible participant by reason of death or ill-health or retirement

If a grantee of an option ceases to be an Eligible Participant by reason of his death or ill-health or retirement in accordance with his contract of employment or service before exercising the option in full, the grantee (or his personal representative(s), as appropriate) may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of death or cessation of employment or service which date shall be the last day on which the grantee was at work with the Group or the Invested Entity whether salary is paid in lieu of notice or not (if applicable), or the grantee (or his personal representative(s), as appropriate) may, if any of the events referred to in paragraph (p) or (q) occur during such period, exercise the option pursuant to paragraph (p) or (q), as the case may be.

(n) Rights on ceasing employment by reason other than death or ill-health or retirement or on any of the grounds listed in paragraph (l)

If a grantee of an option who is an employee of any member of the Group or any Invested Entity ceases to be an Eligible Participant by reason of such grantee's employment or service agreement with the Group or any member thereof or any Invested Entity being terminated (for any reason other than such grantee's death or ill-health or retirement in accordance with his contract of employment or service and such termination is not on any of the grounds specified in paragraph (l) above), or if a grantee who is not an employee of any member of the Group or any Invested Entity ceases to be an Eligible Participant and the provisions of subparagraph (o) below are not applicable, before exercising his option in full, the option (to the extent not already exercised) shall lapse one (1) month (or such longer period as the Directors may determine) from the date of termination and shall not be exercisable thereafter unless the Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period following the date of such termination, which date shall be taken to be the last day on which the grantee was actually at work with any member of the Group or the Invested Entity whether salary is paid in lieu of notice or not (if applicable), or the grantee may, if any of the events referred to in paragraph (p) or (q) occur during such period, exercise the option pursuant to paragraph (p) or (q), as the case may be.

(o) Rights on ceasing to be an eligible participant by reason of certain named grounds

If the Directors shall at their absolute discretion determine that (i) a Grantee who is not an employee of the Group or any Invested Entity, or his associate, has committed any breach of any contract entered into between such Grantee or his associate on the one part and the Group or any Invested Entity on the other part, or that such Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group or Invested Entity into disrepute); and (ii) the Options granted to such Grantee under the Share Option Scheme shall immediately lapse, such Options shall immediately lapse automatically and shall not in any event be exercisable on or after the date on which the Directors have so determined.

(p) Rights on a general or partial offer, a compromise or arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such general or partial offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them (to the extent not already exercised), Shareholders. If such general or partial offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, a grantee shall, notwithstanding any other terms on which his Option was granted, be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company in exercise of his option at any time thereafter and before the close of such general or partial offer (or any revised offer) or the record date for entitlements under the scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such general or partial offer (or, as the case may be, revised offer) closes.

(q) Rights on winding up

In the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Company shall forthwith give notice thereof to all grantees of options and each grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time prior to the date on which such resolution is passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his option, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the Shareholders of record on the day prior to the date of such resolution. . Once such resolution is duly passed, all options shall, to the extent that they have not been exercised, thereupon lapse and determine on the commencement of the winding-up

(r) Effects of alteration to capital

In the event of a capitalisation of profits or reserve, sub-division or consolidation or reduction of share capital of the Company whilst an option remains exercisable, adjustments (if any) to the number or nominal amount of Shares the subject matter of the Share Option Scheme and the option so far as unexercised and/or the subscription price and/or the method of exercise of the option concerned and/or the maximum number of Shares referred to in paragraph (c) above shall be made if the auditors for the time being of the Company certify that such adjustment ought in their opinion fairly and reasonably to be made; provided that (i) any such adjustment shall be made on the basis that a Grantee shall have the same proportion of equity capital as that to which that Grantee was previously entitled on the full exercise of any option; (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value; and (iii) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring adjustment. In addition, in respect of any aforesaid adjustments, other than any made on a capitalisation issue, the auditors of the Company must confirm to the Directors in writing that the adjustments have satisfied the requirements of the relevant provisions of the Listing Rules.

(s) Cancellation of options

The Company may at any time cancel any option granted but not exercised on such grounds as mentioned under the Share Option Scheme or any other grounds as the Company may think just and appropriate in the circumstances subject to approval of the Shareholders. If the Company after any such cancellation of any option wishes to issue new option(s) (the “New Option(s)”) under this Scheme to the same grantee of such cancelled options for replacement, the issue of the New Option may only be made by the issuing of option(s) which is/are available and unissued (excluding the cancelled option(s)) within the 10% Limit (or the Refreshed Limit, as the case may be) as approved by the Shareholders from time to time.

(t) Termination of the Share Option Scheme

The Company may by resolution in general meeting at any time terminate the Share Option Scheme and in such event no further options shall be offered or granted and all remaining options that have yet to be granted will become void or non-exercisable, but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(u) Rights are personal to the grantee

An option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, assign, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement so to do. Any breach of the foregoing by a grantee shall entitle the Company to cancel any or all options or part thereof granted to such grantee to the extent not already exercised.

(v) Alteration of the Share Option Scheme

- (i) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the Shareholders under the bye-laws of the Company for a variation of the rights attached to Shares.
- (ii) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options already granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (iii) Any change to the authority of the Directors in relation to any alteration, amendment or change to the terms and conditions of the Share Option Scheme shall be approved by the Shareholders in general meeting.
- (iv) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirement of the Listing Rules.