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



TYSAN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 687)

**PROPOSED ADOPTION OF THE 2012 SHARE OPTION SCHEME,
TERMINATION OF THE 2002 SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

The notice convening the Special General Meeting of Tysan Holdings Limited to be held at Gloucester Room I, 3rd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong at 3:30 p.m. on Wednesday, 8 August 2012 (or so soon thereafter, or earlier, as the case may be, immediately after the conclusion of its annual general meeting to be held at the same venue at 3:00 p.m. on the same day) is set out on pages 27 to 28 of this circular. Whether or not you are able to attend the Special General Meeting, you are requested to complete and return the accompanying form of proxy not less than 48 hours before the time appointed for holding the Special General Meeting in accordance with the instructions printed thereon. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Special General Meeting or any adjournment thereof should you so wish.

13 July 2012

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RESPONSIBILITY STATEMENT

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.

EXPECTED TIMETABLE

2012

1. Latest time for lodging transfers of Shares
in order to qualify for attending and voting at
the Special General Meeting 4:30 p.m., Friday, 3 August

2. Register of Members closed (both dates inclusive) From Monday, 6 August
to Wednesday, 8 August

3. Latest time for lodging forms of proxy for the
Special General Meeting 3:30 p.m., Monday, 6 August

4. Special General Meeting 3:30 p.m., Wednesday, 8 August
(or so soon thereafter, or earlier,
as the case may be, immediately
after the conclusion of the Company's
annual general meeting at 3:00 p.m.
on the same day)

DEFINITIONS

In this circular, unless the context indicates or specifies otherwise, the following expressions have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board” or “Board of Directors”	the board of Directors
“business day”	a day (other than a Saturday or Sunday or days on which a tropical cyclone warning number 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which the Stock Exchange is open for the business of dealing in securities
“Bye-laws”	the Bye-laws of the Company
“Company”	Tysan Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to the expression under the Listing Rules
“Date of Grant”	in respect of any Option to be granted pursuant to the 2012 Share Option Scheme, the date on which the Option concerned is granted to an Eligible Participant pursuant to the rules of the 2012 Share Option Scheme
“Director(s)”	the director(s) of the Company, including the independent non-executive directors
“Eligible Participant”	a person who is entitled to participant in the 2012 Share Option Scheme, being any full-time or part-time employees, executives, officers or directors (including executive, non-executive and independent non-executive directors) of the Company or any of the Subsidiaries or any of the Interested Entities and any contractors, advisors, consultants, agents, suppliers or providers (of, for example, goods, plants and machineries, materials or services), customers, distributors, business ally or joint venture partners of the Group who, in the sole and absolute opinion of the Board, will contribute or benefit or have contributed or benefited to the business, development and growth (and any other aspect whatsoever) of the Company and/or any of the Subsidiaries and/or any of the Interested Entities

DEFINITIONS

“Exercise Period”	in respect of any particular Option, the period that the Option may be exercised as may be determined by the Board on a case-to-case basis at its absolute discretion and notified to the Grantee thereof, provided that the expiry date of the said period shall not be later than ten (10) years from the Date of Grant of the Option concerned
“Exercise Price”	<p>in respect of any particular Option:-</p> <p>(1) the price per Share payable to the Company on the exercise of the Option as may be decided upon and prescribed by the Board on a case-to-case basis, bearing in mind the purpose of the 2012 Share Option Scheme, in its absolute discretion upon the grant of the Option, provided that such Exercise Price shall not be less than the highest of the following:-</p> <p style="margin-left: 40px;">(a) the nominal value of a Share;</p> <p style="margin-left: 40px;">(b) the closing price of a Share as stated in the Stock Exchange’s daily quotation sheet on the Date of Grant of the Option, which must be a business day; and</p> <p style="margin-left: 40px;">(c) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) business days immediately preceding the Date of Grant of the Option, or</p> <p>(2) where applicable, the Exercise Price for the Option concerned (referred to in (1) above) as may be adjusted by the Board from time to time pursuant to the rules of the 2012 Share Option Scheme concerning adjustments of, inter alia, the Exercise Price upon the occurrence of any Relevant Event</p>
“Existing Option Holder”	a person holding an option (to the extent that it is vested but not yet exercised) granted under the 2002 Share Option Scheme
“Grantee”	any Eligible Participant who accepts an offer of the grant of an Option in accordance with the terms of the 2012 Share Option Scheme or, where the context so permits, any person entitled under the 2012 Share Option Scheme to exercise any such Option (to the extent that the same is still exercisable and has not already been exercised and has not lapsed) in consequent of the death of a Grantee, including the legal personal representative of the Grantee concerned

DEFINITIONS

“Group”	the Company and the Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong” or “HKSAR”	the Hong Kong Special Administrative Region of the PRC
“Individual Limit”	subject to the Overall Scheme Limit and unless approved by the Shareholders in accordance with the rules of the 2012 Share Option Scheme, the maximum total number of Shares which may be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) during any 12-month period, being 1% of the Shares in issue from time to time
“Initial Scheme Limit”	subject to the Overall Scheme Limit and other rules of the 2012 Share Option Scheme, the maximum total number of Shares which may be issued upon the exercise of all Options which may be granted under the 2012 Share Option Scheme and any other schemes of the Company, being 10% of the Shares in issue as at the date of approval of the 2012 Share Option Scheme by the Shareholders
“Interested Entities”	any entity in which any member of the Group holds any equity interest
“Latest Practicable Date”	11 July 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Notice”	the notice of the Special General Meeting as set out on pages 27 to 28 of this circular
“Offer”	the offer by the Board to an Eligible Participant of the grant of an Option made in accordance with the rules of the 2012 Share Option Scheme
“Option”	an option to subscribe for such number of Shares to be granted pursuant to the 2012 Share Option Scheme
“Overall Scheme Limit”	the maximum total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2012 Share Option Scheme, when aggregated with any Shares which may be issued under any outstanding Options granted under any other schemes of the Company, being 30% of the Shares in issue from time to time

DEFINITIONS

“PRC”	the People’s Republic of China
“Proposed Resolutions”	the resolutions proposed to be passed as ordinary resolutions of the Company at the Special General Meeting
“Scheme Period”	the applicable period for the 2012 Share Option Scheme, being the period of ten (10) years commencing from 8 August 2012 and expiring on 7 August 2022, both dates inclusive, during which the Board may grant Options to Grantees in accordance with the rules of the 2012 Share Option Scheme
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company in issue as at the Latest Practicable Date and all and any other shares in issue from time to time and for the time being ranking pari passu therewith
“Shareholder(s)”	the registered holder(s) of Share(s)
“Special General Meeting”	the special general meeting of the Company to be held on Wednesday, 8 August 2012 or any adjournment thereof
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	subsidiary(ies) of the Company within the meaning of Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or Section 86 of The Companies Act 1981 of Bermuda (as amended), whether incorporated in Hong Kong, Bermuda or elsewhere
“2002 Share Option Scheme”	the share option scheme adopted by the Company in general meeting on 28 August 2002
“2012 Share Option Scheme”	the share option scheme proposed to be adopted by the Company at the Special General Meeting, a summary of the principal terms of which is set out in Appendix II hereto
“%”	per cent

LETTER FROM THE BOARD OF DIRECTORS



TYSAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 687)

Executive Directors:

CHEUNG Francis (*Chairman*)

FUNG Chiu Chak, Victor

(Vice Chairman and Managing Director)

CHIEN David

KWOK Jennifer

CHIU Chin Hung

WONG Kay

LAU Kin Fai

CHEUNG Harvey Jackel

Independent Non-Executive Directors:

FAN Chor Ho, Paul

TSE Man Bun

LUNG Chee Ming, George

Registered Office:

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Head office and principal place of
business in Hong Kong:*

20th Floor, One Island South

No.2 Heung Yip Road

Wong Chuk Hang

Hong Kong

13 July 2012

To the Shareholders and, for information only, the Existing Option Holder

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE 2012 SHARE OPTION SCHEME,
TERMINATION OF THE 2002 SHARE OPTION SCHEME
AND
NOTICE OF SPECIAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the details of the 2012 Share Option Scheme and the Notice convening the Special General Meeting to consider and, if thought fit, to approve the adoption by the Company of the 2012 Share Option Scheme, a summary of the principal terms of which is set out in Appendix II of this circular.

LETTER FROM THE BOARD OF DIRECTORS

2. PROPOSED ADOPTION OF THE 2012 SHARE OPTION SCHEME AND TERMINATION OF THE 2002 SHARE OPTION SCHEME

The 2002 Share Option Scheme

Pursuant to an ordinary resolution by the Shareholders at an annual general meeting held on 28 August 2002, the Company adopted the 2002 Share Option Scheme, pursuant to which the Board was authorized to grant options to any eligible persons, including any employee or director (including both executive directors and non-executive directors) of the Company.

During the term of the 2002 Share Option Scheme up to the Latest Practicable Date, options to subscribe for a total of 128,500,000 Shares had been granted by the Company under the 2002 Share Option Scheme, out of which options to subscribe for 125,700,000 Shares were exercised and options to subscribe for 800,000 Shares had lapsed.

As at the Latest Practicable Date, there still remains options to subscribe for 2,000,000 Shares that were granted but not yet exercised under the 2002 Share Option Scheme. Notwithstanding the adoption of the 2012 Share Option Scheme and the termination of the 2002 Share Option Scheme (if approved by the Shareholders), these options shall remain exercisable pursuant to the rules of the 2002 Share Option Scheme. Save as aforesaid, there are no other outstanding options, warrants or convertible securities to subscribe for Shares as at the Latest Practicable Date.

The Company does not have any share option scheme which is still subsisting other than the 2002 Share Option Scheme. The Directors confirm that no further options will be granted under the 2002 Share Option Scheme prior to the date of the Special General Meeting.

Termination of the 2002 Share Option Scheme

The 2002 Share Option Scheme will expire on 27 August 2012. Under the terms of the 2002 Share Option Scheme, the Company may by resolution in general meeting at any time terminate the operation of the 2002 Share Option Scheme. It is proposed by the Directors that at the Special General Meeting, ordinary resolutions will be proposed for the Company to approve and adopt the proposed 2012 Share Option Scheme (which will take effect on the date of its adoption at the Special General Meeting subject to the Stock Exchange granting approval for the listing of and dealing in the Shares fall to be allotted and issued upon the exercise of Options in accordance with the terms and conditions of the 2012 Share Option Scheme) and, subject to and conditional upon the passing of the aforesaid resolution, to terminate the operation of the 2002 Share Option Scheme (such that no further options could thereafter be offered under the 2002 Share Option Scheme, but in all other respects the provisions of the 2002 Share Option Scheme shall remain in full force and effect pursuant to the terms and conditions thereof).

LETTER FROM THE BOARD OF DIRECTORS

Purpose of the 2012 Share Option Scheme

The purpose of the 2012 Share Option Scheme is to enable the Board to grant Options to reward Eligible Participants who, in the sole and absolute opinion of the Board, will contribute or benefit or have contributed or benefited to the business, development and growth (and any other aspect whatsoever) of the Company and/or any of the Subsidiaries and/or any of the Interested Entities and to provide incentives to Eligible Participants to perform their best in achieving the goals of the Group in the interests and benefits of the Company and the Shareholders as a whole, while at the same time allowing the Eligible Participants to share the fruits of the Company's business achieved through their effort and contribution, as well as to enable the Group to recruit high quality employees who are valuable to the management and long term business and financial goals and success of the Group.

Conditions of the 2012 Share Option Scheme

The 2012 Share Option Scheme shall take effect subject to and conditional upon the following conditions:-

- (1) the passing of the resolution to adopt the 2012 Share Option Scheme by the Shareholders in a general meeting;
- (2) the passing of the resolution to terminate the 2002 Share Option Scheme by the Shareholders in a general meeting; and
- (3) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares or any part thereof to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2012 Share Option Scheme.

Grant of Options

Subject to the rules of the 2012 Share Option Scheme, and subject always to the applicable rules and provisions of the Listing Rules, the Board may during the Scheme Period at its absolute discretion and subject to such conditions as it may wish to impose (and if so, the nature and extent thereof) or not to impose, on a case-to-case basis, as it may think fit (including, without limitation, any minimum period for which an Option must be held before it can be exercised, the performance targets, if any, that must be achieved before an Option can be exercised, the Exercise Price, the amount, if any, payable on application of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid) offer and grant to an Eligible Participant an Option or Options to subscribe during the Exercise Period for such number of Shares as the Board may determine and at such Exercise Price determined on such basis as the Board at its absolute discretion may think fit.

LETTER FROM THE BOARD OF DIRECTORS

Subject as aforesaid, the Board is of the view that the flexibility proposed to be given to the Board to grant Options to the Eligible Participants at the Board's absolute discretion in imposing or not imposing such conditions as the minimum period for holding the Options and the condition of achieving performance targets etc. (which conditions are not specified in the 2012 Share Option Scheme) will place the Group in a better position to motivate the Grantees to focus on their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain harmonious on-going relationship with the Grantees whose contributions are or will be beneficial to the long term growth and development of the Group.

Value of the Options

The Directors take the view that it may not be appropriate to state the value of all the Options that can be granted under the 2012 Share Option Scheme as if they had been granted on the Latest Practicable Date prior to the approval of the 2012 Share Option Scheme since the various variables which are critical for the calculation of the value of such Options (such as the timing and amount of each Offer, the Exercise Period, any performance targets requirements, the prevailing market conditions and therefore the Exercise Price and other conditions that may be imposed on the Grantees, which are to be decided on a case-to-case basis) cannot be precisely and reliably determined as at the Latest Practicable Date. Accordingly, the Directors consider that any such valuation of the Options based on a vast number of speculative assumptions would not be meaningful and could even be misleading to the Shareholders.

Listing and dealings

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may be issued and allotted pursuant to the 2012 Share Option Scheme. Subject always to the Overall Scheme Limit, on the basis of 872,665,903 Shares in issue as at the Latest Practicable Date, and assuming no further Shares will be issued or repurchased by the Company prior to the date of the passing of the resolution to adopt the 2012 Share Option Scheme, the Company may grant Options to subscribe for up to a maximum of 87,266,590 Shares which may be issued upon the exercise of the Options to be granted under the 2012 Share Option Scheme and any other schemes of the Company (i.e. 10% of the issued share capital of the Company as at the date of the resolution to adopt the 2012 Share Option Scheme) (the "**Initial Scheme Limit**"). The Company may seek approval of the Shareholders in general meetings for refreshing the Initial Scheme Limit, provided that the total number of Shares in respect of which Options may be granted under the 2012 Share Option Scheme and any other share option schemes of the Company under the Initial Scheme Limit (as refreshed) must not exceed 10% of the total number of Shares in issue as at the date of such Shareholders' approval.

The 2012 Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules, and the adoption of the 2012 Share Option Scheme is subject to the approval of the Shareholders at the Special General Meeting by an ordinary resolution. To the extent that the Directors are aware, having made all reasonable enquiries, none of the Shareholders has a material interest in the 2012 Share Option Scheme and accordingly, no Shareholders will be required to abstain from voting at the said resolution.

LETTER FROM THE BOARD OF DIRECTORS

None of the Directors are appointed as trustees of the 2012 Share Option Scheme or have a direct or indirect interest in the trustees of the 2012 Share Option Scheme.

A copy of the full text of 2012 Share Option Scheme will be available for inspection at the Company's principal office in Hong Kong at 20th Floor, One Island South, No.2 Heung Yip Road, Wong Chuk Hang, Hong Kong during normal office hours on any weekday, Monday to Friday, except public holidays from the date of this circular up to and including 27 July 2012 and on the date of the Special General Meeting.

In accordance with the requirements of the Listing Rules, the Company will publish an announcement on the respective website of the Company and the Stock Exchange on the poll vote result of the Special General Meeting in respect of the resolution relating to the adoption of the 2012 Share Option Scheme and the termination of the 2002 Share Option Scheme on the date of Special General Meeting.

3. SPECIAL GENERAL MEETING

In the circumstances, at the Special General Meeting, ordinary resolutions will be proposed to approve the 2012 Share Option Scheme and to terminate the 2002 Share Option Scheme. At the Special General Meeting, all votes of the Shareholders will be taken by poll. The procedure for demanding a poll is set out in Appendix I hereto.

The Register of Members of the Company will be closed for the purpose of ascertaining Shareholders' eligibility to attend and vote at the Special General Meeting from Monday, 6 August 2012 to Wednesday, 8 August 2012 (both days inclusive) during which period no transfer of Shares will be registered. In order to qualify for the attending and voting at the Special General Meeting, all transfer documents in respect of transfers of Shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 3 August 2012.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Shareholders is required to abstain from voting on the Proposed Resolutions.

4. NOTICE OF SPECIAL GENERAL MEETING

The Notice convening the Special General Meeting is set out on pages 27 to 28 of this circular.

Shareholders are advised to read the Notice and to complete and return the accompanying form of proxy not less than 48 hours before the time appointed for holding the Special General Meeting, in accordance with the instructions printed thereon, to the Company's principal office in Hong Kong at 20th Floor, One Island South, No.2 Heung Yip Road, Wong Chuk Hang, Hong Kong. The lodging of a form of proxy will not preclude a Shareholder from attending the Special General Meeting and voting in person should he so wish.

LETTER FROM THE BOARD OF DIRECTORS

5. RECOMMENDATION

The Directors consider that the adoption of the 2012 Share Option Scheme and the termination of the 2002 Share Option Scheme are in the best interests of the Company and the Shareholders as a whole and accordingly recommend you to vote in favour of the Proposed Resolutions at the Special General Meeting.

Yours faithfully,
For and on behalf of the Board of
Tysan Holdings Limited
Wong Suk Han, Kitty
Company Secretary

Pursuant to Bye-law 66 of the Bye-laws, a resolution put to the vote of a general meeting of the Company shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the Chairman; or
- (b) by at least three Shareholders present in person or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

A demand by a person as proxy for a Shareholder shall be deemed to be the same as a demand by the Shareholder concerned.

Pursuant to the amended Rule 13.39 of the Listing Rules, save as provided therein, any votes of the Shareholders at a general meeting must be taken by poll. Therefore, the Chairman of the Special General Meeting intends to demand a poll for every resolution put forward at the Special General Meeting pursuant to Bye-law 66 of the Company's Bye-laws and Rule 13.39 of the Listing Rules.

The Company will appoint scrutineers to handle the vote-taking procedures at the Special General Meeting. The results of the poll will be published on the website of the Stock Exchange at <http://www.hkexnews.hk> and the Company's website at <http://www.tysan.com> on the business day next following the Special General Meeting.

The following is a summary of the principal terms of the 2012 Share Option Scheme to be adopted at the Special General Meeting:

1. DEFINITIONS AND EXPRESSIONS USED IN THIS APPENDIX

In this Appendix, except where the context otherwise requires, in addition to the defined expressions in the section captioned “Definitions” (which are herein adopted and shall bear the meanings set out therein) of this circular, the following words and expressions shall bear the following meanings:-

“Auditors”	the auditors for the time being of the Company
“Board”	the board of directors of the Company or a duly authorized committee thereof from time to time
“chief executive”	bears the meaning ascribed to the expression under the Listing Rules
“Companies Act”	The Companies Act 1981 of Bermuda (as may be amended from time to time)
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“control”	means, unless the context otherwise requires, a holding, or aggregate holdings, by a person or his associates, of 30% or more of the voting rights of a company, irrespective of whether that holding or holdings gives de facto control
“Date of Adoption”	8 August 2012, being the date of adoption of the proposed 2012 Share Option Scheme by the Company in general meeting
“Date of Offer”	the date on which an Option is offered to be granted
“director”	bears the meaning ascribed to the expression under the Listing Rules
“Executive”	any person employed (whether full-time or part-time) by the Group or any of the Interested Entities, any officer or director (including any executive, non-executive or independent non-executive director) of the Group or any of the Interested Entities (whether full-time or part-time), and the term “Executive” shall also include any proposed Executive, or a person for the time being seconded to work full-time or part-time for the Group or any of the Interested Entities

“independent non-executive director”	bears the meaning ascribed to the expression under the Listing Rules
“Initial Scheme Limit”	bears the meaning given in paragraph 5(2) hereof
“Offer”	the offer by the Board to an Eligible Participant of the grant of an Option made in accordance with the rules of the 2012 Share Option Scheme
“Refreshed Limit”	bears the meaning given in paragraph 5(3) hereof
“Relevant Event”	<ol style="list-style-type: none">(1) any variation in the share capital of the Company arising from any reduction, sub-division or consolidation of share capital or the issue of any share capital (including any securities convertible into share capital or warrants or options to subscribe for any share capital) by way of capitalization of profits or reserves or in connection with an offer made pro rata to Shareholders, except as consideration or part consideration for the acquisition of any assets or business by the Group; and(2) any distribution of the Company’s capital assets to Shareholders pro rata, whether in cash or in specie, except dividend paid out of the net profits attributable to Shareholders for each financial year of the Company
“Scheme Expiry Date”	the close of business hours of the Company on the date which falls ten (10) years after the Date of Adoption, being 7 August 2022, when the 2012 Share Option Scheme will expire and automatically terminate
“Specified Eligible Participants”	bears the meaning given in paragraph 5(4) hereof
“Subscription Price”	in respect of any Options which a Grantee intends to exercise, the aggregate amount payable to the Company in respect of the Options, being equal to the Exercise Price multiplied by the relevant number of Shares that are to be issued pursuant to the Options
“substantial shareholder”	bears the meaning ascribed to the expression under the Listing Rules
“Summary Dismissal Grounds”	means, in relation to an Executive, termination of his employment on any one or more of the following grounds: <ol style="list-style-type: none">(1) that he has been, in the view of the Board, which views shall be final and conclusive, guilty of misconduct; or

- (2) that he has committed an act of bankruptcy or has become insolvent or has made an arrangement or composition with creditors generally; or
- (3) that he has been convicted by any Court (whether in Hong Kong or overseas, and irrespective of whether an appeal thereof is pending or contemplated) of a criminal offence involving his integrity or honesty; or
- (4) on any other ground on which an employer would be entitled to immediately terminate his employment pursuant to applicable laws or under the terms of his employment contract

2. PURPOSE OF THE 2012 SHARE OPTION SCHEME

The purpose of the 2012 Share Option Scheme is to enable the Board to grant Options to reward Eligible Participants who, in the sole and absolute opinion of the Board, will contribute or benefit or have contributed or benefited to the business, development and growth (and any other aspect whatsoever) of the Company and/or any of the Subsidiaries and/or any of the Interested Entities and to provide incentives to Eligible Participants to perform their best in achieving the goals of the Group in the interests and benefits of the Company and the Shareholders as a whole while at the same time allowing the Eligible Participants to share the fruits of the Company's business achieved through their effort and contribution, as well as to enable the Group to recruit high quality employees who are valuable to the management and long term business and financial goals and success of the Group.

3. CONDITIONS OF THE 2012 SHARE OPTION SCHEME

The 2012 Share Option Scheme shall take effect subject to and conditional upon the following conditions:-

- (1) the passing of the resolution to adopt the 2012 Share Option Scheme by the Shareholders in a general meeting;
- (2) the passing of the resolution to terminate the 2002 Share Option Scheme by the Shareholders in a general meeting; and
- (3) the Listing Committee of the Stock Exchange granting approval for the listing of and permission to deal in the Shares or any part thereof to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the 2012 Share Option Scheme.

If any of the above conditions are not satisfied on or before 31 December 2012, the 2012 Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the 2012 Share Option Scheme.

4. GRANT OF OPTIONS

Subject to the rules of the 2012 Share Option Scheme, and subject always to the applicable rules and provisions of the Listing Rules, the Board may during the Scheme Period at its absolute discretion and subject to such conditions either on a case-to-case basis or generally as it may think fit (including, without limitation, any minimum period for which an Option must be held before it can be exercised, the performance targets, if any, that must be achieved before an Option can be exercised, the Exercise Price, the amount, if any, payable on application of the Option and the period within which payments or calls must or may be made or loans for such purposes must be repaid) offer and grant to an Eligible Participant an Option or Options to subscribe during the Exercise Period for such number of Shares as the Board may determine and at such Exercise Price determined on such basis as the Board at its absolute discretion may think fit.

5. MAXIMUM NUMBER OF SHARES FOR WHICH OPTIONS MAY BE GRANTED

- (1) The total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the 2012 Share Option Scheme, when aggregated with any Shares which may be issued under any outstanding Options granted under any other schemes of the Company, must not exceed 30% of the Shares in issue from time to time (the “**Overall Scheme Limit**”). No options may be granted under the 2012 Share Option Scheme or any other scheme of the Company if this will result in the Overall Scheme Limit being exceeded.
- (2) Subject to the Overall Scheme Limit, and except as refreshed and/or varied under the rules of the 2012 Share Option Scheme, the total number of Shares which may be issued upon the exercise of all Options which may be granted under the 2012 Share Option Scheme and any other schemes of the Company must not in aggregate exceed 10% of the Shares in issue as at the Date of Adoption (the “**Initial Scheme Limit**”). For the purpose of this rule, Options lapsed in accordance with the terms of the 2012 Share Option Scheme will not be counted for the purpose of calculating the Initial Scheme Limit.
- (3) Subject to the Overall Scheme Limit, the Company may from time to time seek and obtain approval by ordinary resolutions of the Shareholders in general meeting to refresh and/or revise the Initial Scheme Limit under the 2012 Share Option Scheme, such that the total number of Shares which may be issued upon exercise of all Options to be granted under the 2012 Share Option Scheme and any other schemes of the Company (or its Subsidiaries) is limited to not exceeding 10% of the Shares in issue as at the date of the approval of the Shareholders (the “**Refreshed Limit**”). For the purpose of this rule, Options previously granted under the 2012 Share Option Scheme and any other schemes of the Company (and including those outstanding, cancelled, lapsed in accordance with the 2012 Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Refreshed Limit concerned, and provided further that the Company shall send a circular to the Shareholders containing the information required under Rule 17.02(2)(d) of the Listing Rules, and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (4) Subject to the Overall Scheme Limit, the Company may from time to time seek separate approval by the Shareholders in general meeting for granting Options intended to be granted beyond the Initial Scheme Limit or the Refreshed Limit, as the case may be, provided that the Options in excess of the Initial Scheme Limit or the Refreshed Limit, as the case may be, shall only be granted to Eligible Participants specifically identified by the Company (the “**Specified Eligible Participants**”) before such approval is sought. The Company shall send a circular to the Shareholders containing a generic description of the Specified Eligible Participants who are intended to be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the Specified Eligible Participants with an explanation as to how the terms of the Options will serve such purpose, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (5) Subject to the Overall Scheme Limit, unless approved by the Shareholders in the manner set out hereinbelow, the total number of Shares issued and to be issued upon exercise of the Options granted to each Eligible Participant (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time (the “**Individual Limit**”).
- (6) Subject to the Overall Scheme Limit, where any further grant of Options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such persons (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over the Individual Limit, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his or her associates abstaining from voting, and provided further that the Company shall send a circular to the Shareholders and such circular shall disclose the identity of the Eligible Participant concerned, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant), the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Exercise Price) of Options to be granted to such Eligible Participant must be fixed before the Shareholders’ approval.
- (7) Grant of Options to connected persons:-
- (a) Any grant of Options to an Eligible Participant who is a director, chief executive or substantial shareholder of the Company or their respective associates under the 2012 Share Option Scheme or any other schemes of the Company or any of its Subsidiaries must be approved by the independent non-executive directors of the Company (excluding such independent non-executive director who is the intended grantee of the Options in question).
- (b) Where the Board proposes to grant any Option to an Eligible Participant who is a substantial shareholder of the Company or an independent non-executive director or any of their respective associates (in each case bearing the meaning given under the

Listing Rules) 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 him or her in the 12-month period up to and including the date of such grant:-

- (i) representing in aggregate over 0.1% of the total number of Shares in issue at the date of such grant; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotation sheet on the Date of Grant of the relevant Options, in excess of HK\$5 million,

such proposed grant of Options must be approved by the Shareholders in general meeting with all connected persons of the Company abstaining from voting (except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so shall have been stated in the circular). Any vote taken at the meeting to approve the grant of such Options must be taken on a poll. The Company shall send a circular to the Shareholders, and the circular must contain the following:-

- (i) details of the number of and terms (including the Exercise Price) of the Options to be granted to each such Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the Board meeting for proposing such further grant shall be taken as the Date of Grant for the purpose of calculating the relevant Exercise Price; the description of the terms of the Options must include the information required under Rules 17.03(5) to 17.03(10) of the Listing Rules;
 - (ii) a recommendation from the independent non-executive directors of the Company (excluding any independent non-executive director who is the intended grantee of the Options concerned) to the independent Shareholders as to voting; and
 - (iii) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.
- (8) Shareholders' approval is also required for any change in the terms of the Options granted to an Eligible Participant who is a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates.
- (9) For the avoidance of doubt, it should be noted that the requirements for the granting of Options to a director or chief executive of the Company set out in the above do not apply where the selected Eligible Participant is only a proposed director or chief executive of the Company.

6. RESTRICTION ON THE TIME OF GRANT OF OPTIONS

No Option shall be granted to an Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information shall have been published in accordance with the relevant provisions of the Listing Rules. In particular, during the period commencing one (1) month immediately preceding the earlier of:-

- (1) the date of the Board meeting for the approval of the Company's interim or annual results (whether or not required under the Listing Rules); and
- (2) the deadline for the Company to publish an announcement of its interim or annual results (whether or not required under the Listing Rules);

and ending on the date of the results announcement (and including and covering any period of delay in the publication of the results announcement), no Option may be granted.

7. ACCEPTANCE OF OFFERS OF OPTIONS

- (1) An offer of the grant of an Option shall be made to an Eligible Participant by letter in such form as the Board may from time to time determine, and shall be open for acceptance in writing received by the Secretary of the Company or the Board for a period of twenty one (21) days inclusive of, and from, the Date of Offer, provided that no such offer shall be open for acceptance after the Scheme Expiry Date or after the 2012 Share Option Scheme is terminated in accordance with the terms and conditions of the 2012 Share Option Scheme, or after the Eligible Participant to whom the Offer is made has ceased to be an Eligible Participant. An Option shall be deemed to have been granted and accepted on the Date of Offer provided that acceptance of such offer is received by the Company within the said period of twenty one (21) days. The Company shall within fourteen (14) days of its receipt of the acceptance of the offer of the grant of an Option issue Option certificate(s) under the seal of the Company in such form as the Board may from time to time determine.
- (2) No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Eligible Participant at a time when the Eligible Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any other applicable rules, regulations or law.
- (3) An Offer is deemed to be accepted, when the Company receives from the Eligible Participant to whom the Offer is made the Offer letter signed by the Eligible Participant specifying the number of Shares in respect of which the Offer is accepted.
- (4) Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within twenty one (21) days from the date on which the letter containing the Offer is delivered to that Eligible Participant, the Offer shall automatically lapse and shall not be capable of acceptance.

8. TIME OF EXERCISE OF OPTIONS

- (1) Subject to the rules and provisions of the 2012 Share Option Scheme and the following provisions, an Option may be exercised by the Grantee at any time during the Exercise Period applicable to the Option concerned and notwithstanding that the Scheme Period may have expired or may have been terminated, except that:
- (a) if a Grantee (being an individual) ceases to be an Eligible Participant by reason of ill-health or disability (in each case evidenced to the satisfaction of the Board), the Option (to the extent that it is vested but not yet exercised) shall remain exercisable within a period of twelve (12) months (or such longer period as the Board may determine) following such cessation, provided that the Option must in any event be exercised no later than the expiration of the Exercise Period;
 - (b) if a Grantee (being an individual) ceases to be an Eligible Participant by reason of his retirement from the Company and/or any of the Subsidiaries or Interested Entities pursuant to such retirement policy or scheme adopted by the Company and/or any of the Subsidiaries or Interested Entities (if any) at the relevant time, the Option (to the extent that it is vested but not yet exercised) held by such Grantee shall be exercisable within a period of twelve (12) months (or such longer period as the Board may determine) from the date of retirement;
 - (c) if a Grantee (being an individual) ceases to be an Eligible Participant on one or more of the Summary Dismissal Grounds, the Option (to the extent that it is vested but not yet exercised) shall immediately lapse on the date on which the Grantee is notified of the termination of his employment and shall not be exercisable, unless the Board otherwise determines (in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification);
 - (d) if a Grantee (being an individual and also an Executive) ceases to be an Executive other than pursuant to paragraphs 8(1)(a) to 8(1)(c) (including the event of resignation, termination other than on one of the Summary Dismissal Grounds or disposal of a Subsidiary or an Interested Entity by which the Grantee is employed), the Option (to the extent that it is vested but not yet exercised) shall remain exercisable within three (3) months of the date of cessation of such employment or disposal (which date shall be the last actual working day with the relevant employing entity, whether salary is paid in lieu of notice or not), or for such longer period as may be determined by the Board, provided that the Option must in any event be exercised no later than the expiration of the Exercise Period;
 - (e) if a Grantee (being an individual and not an Executive) (a) is unable or has no reasonable prospects of being able to pay his debts within the meaning of the Bankruptcy Ordinance (Chapter 6 of the Laws of Hong Kong) or any other applicable law or has otherwise become insolvent; or (b) has made any arrangements or

compositions with his creditors generally; or (c) has been convicted of any criminal offence involving his integrity or honesty; or (d) is guilty of misconduct; or (e) commits a breach of any contract entered into between the Grantee (or his associate) and the Company and/or any of the Subsidiaries or Interested Entities, the Option (to the extent that it is vested but not yet exercised) shall immediately lapse on the date on which he is deemed unable or to have no reasonable prospects of being able to pay his debts as aforesaid, or on the date on which a petition for bankruptcy has been presented in any jurisdiction, or on the date on which he enters into the said arrangement or composition with his creditors, or on the date of his conviction, or on the date on which he is guilty of misconduct or on the date of the said breach of contract (as the case may be) and shall not be exercisable, unless the Board may otherwise determine (in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence);

- (f) if a Grantee (being a corporate entity) (a) has a liquidator, provisional liquidator, receiver or any person carrying out any similar function appointed anywhere in the world in respect of the whole or any part of the assets or undertaking of the Grantee; or (b) has suspended ceased or threatened to suspend or cease business; or (c) is unable to pay its debts (within the meaning of Section 178 of the Companies Ordinance or any applicable law); or (d) otherwise becomes insolvent; or (e) suffers a change in its constitution, directors, shareholding or management which, in the absolute opinion of the Board, is material or constitutes a change in control; or (f) commits a breach of any contract entered into between the Grantee and the Company and/or any of the Subsidiaries or Interested Entities the Option (to the extent that it is vested and not yet exercised) shall immediately lapse on the date of appointment of the liquidator or receiver or other similar person, or on the date of suspension or cessation of business, or on the date when the Grantee is deemed to be unable to pay its debts as aforesaid, or on the date of notification by the Company that the said change in constitution, directors, shareholding or management is material or about the change in control, or on the date of the said breach of contract (as the case may be) and shall not be exercisable, unless the Board may otherwise determine (in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence);
- (g) in the case of a Grantee not being an Executive and not specifically covered by the rules set out in paragraphs 8(1)(a) to 8(1)(f) above, if the Board in its absolute discretion at any time determines that (a) the Grantee has ceased to be an Eligible Participant; or (b) the Grantee has failed to satisfy or comply with, or no longer satisfies or complies with, such criteria or terms and conditions that may be attached to the grant of the Option or which formed the basis on which the Option was granted, the Option (to the extent that it is vested but not yet exercised) shall immediately lapse on the date on which the Grantee is notified thereof and shall not be exercisable, unless the Board may otherwise determine (in which event the Option shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such notification);

- (h) if a general offer, partial offer or conditional offer (whether by way of takeover offer, scheme of arrangement or otherwise) is made to the Shareholders or specified persons or class thereof (including, without limitation, an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) and the offer becomes or is declared unconditional during the Exercise Period of an outstanding Option, then the Board shall as soon as is practicable thereafter notify every Grantee accordingly, and the Grantees, subject to the rules set out in paragraphs 8, 9 and 10 hereof, but otherwise notwithstanding any other terms on which his Options were granted, shall be entitled to exercise the Option (to the extent that it is vested but not yet exercised) at any time before the expiry of the period of three (3) months next following the date on which the offer is made or becomes or is declared unconditional. For the avoidance of doubt, an Option not so exercised shall lapse automatically and shall no longer be exercisable after the expiry of the aforesaid period of three (3) months PROVIDED THAT if, during such period, such person(s), having made the Offer concerned shall become entitled to exercise rights of compulsory acquisition of the Shares pursuant to Section 103 of the Companies Act (as may be amended from time to time) and gives notice in writing to any holders of Shares that he intends to exercise such rights, the Options shall, subject to the rules set out in paragraphs 8, 9 and 10 hereof, be and remain exercisable until the expiry of one (1) month from the date of such notice and, to the extent that they shall have not been so exercised within the said period, shall thereupon automatically lapse and determine;
- (i) if a notice is given by the Company to its Shareholders 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 of its Shareholders give notice to all Grantees. Upon receipt of such notice, each Grantee shall be entitled to exercise all or any of the Option (to the extent that it is vested but not yet exercised) at any time not later than two (2) business days prior to the date of 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. Upon receipt of such notice together with the remittance by the Company, the Company shall as soon as possible and, in any event, no later than one (1) 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. The allotted Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up the Company to participate in the distribution of assets of the Company available in liquidation. Subject to the above, an Option will lapse automatically (to the extent not already exercised) and shall not be exercisable on the date of commencement of the winding up of the Company; and
- (j) if under Section 99 of the Companies Act (as may be amended from time to time) or any other law or legislation applicable to the Company, a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with

a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice to the Grantee on the same day as it gives notice of the meeting to its Shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the Grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (a) the date two (2) months thereafter; and
- (b) the date on which such compromise or arrangement is sanctioned by the court;

exercise the Option (to the extent that it is vested but not yet exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee in a position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. Upon such compromise or arrangement becoming effective, all Options for the time being outstanding shall lapse except insofar as previously exercised hereunder. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented by the court or upon any other terms as may be approved by such court) the rights of Grantees to exercise their respective Options shall with effect from the date of the making of the order by the court be restored and shall thereupon become exercisable (but subject to the other terms of the 2012 Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company, and no claim shall lie against the Company or any of its executives, officers, staff or advisors for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

9. MANNER OF EXERCISE OF OPTIONS

- (1) In order for an exercise of an Option to be effective, the Secretary of the Company must, prior to the expiry of the relevant Exercise Period, have received:-
 - (a) a written notice (which may be endorsed on the Option certificates) exercising the Option, signed by or on behalf of the Grantee and specifying the number of Shares in respect of which the Option is being exercised;
 - (b) Option certificates sufficient to cover the number of Shares in respect of which the Option is being exercised; and
 - (c) payment in full of the Subscription Price.
- (2) Shares in respect of an Option shall normally be issued to the Grantee and/or his nominee within thirty (30) days of the date upon which exercise of an Option becomes effective.

- (3) An Option can be exercised in whole or in part provided that it is exercised in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

10. LAPSE OF OPTION

- (1) An Option shall lapse automatically (to the extent not already exercised) on the earliest of:-
- (a) the expiry of the Exercise Period;
 - (b) the expiry of the periods and/or the date(s) referred to in paragraphs 8(1)(a) to 8(1)(d) above;
 - (c) the date on which the Grantee is notified of the occurrence of relevant events or the date of occurrence of relevant events (as the case may be) as mentioned in paragraphs 8(1)(e) to 8(1)(g) above;
 - (d) the date of the commencement of the winding-up of the Company in respect of the situation contemplated by paragraph 8(1)(i) above;
 - (e) the date when the scheme or compromise referred to in paragraph 8(1)(j) above becomes effective; and
 - (f) the occurrence of such event or expiry of such period as may have been specifically provided for in the letter of the Board containing the Offer.

11. ADJUSTMENTS

Upon the occurrence of any Relevant Event, the number or nominal amount of Shares comprised in each Option and/or the manner of exercise of any Option and/or, whilst any Option remains exercisable or the 2012 Share Option Scheme remains in effect, the Exercise Price and/or the number of Shares that may be issued under the Options granted may be, subject to the rules of the 2012 Share Option Scheme, adjusted in such manner as the Board (having received a statement in writing from the Auditors or an independent financial advisor appointed by the Board that in its opinion the adjustments proposed are fair and reasonable) may deem appropriate, provided always that a Grantee shall have the same proportion of the equity capital of the Company as that to which he was entitled before such adjustments and no increase shall be made in the aggregate Subscription Price relating to any Option. Notice of any such adjustments shall be given to the Grantees by the Company, which may, but need not, call in Option certificates for endorsement or replacement.

12. ADMINISTRATION

- (1) Notices or documents required to be given to an Eligible Participant or to a Grantee shall (i) either be delivered to him by hand or sent to him by post at his home address according to the records of his employing company or delivered to him by hand or sent to him by fax at his place of work, and (ii) if sent by post, be deemed to have been given (a) on the second day following the date of posting if the address is in Hong Kong and (b) on the seventh day following the date of posting if the address is out of Hong Kong, and in the case of sending by fax on the same day.
- (2) Grantees shall be entitled to receive copies of all notices and documents sent by the Company to its Shareholders generally.
- (3) The 2012 Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters of or arising from the 2012 Share Option Scheme or its interpretation or application shall (save as otherwise provided herein) be final and binding on all parties.
- (4) No member of the Board shall be personally liable by reason of any contract or other instrument executed by such member or on his behalf in his capacity as member of the Board nor for any mistake of judgment made in good faith, and the Company shall indemnify on demand and hold harmless each employee, officer or director of the Company to whom any duty or power relating to the administration or interpretation of the 2012 Share Option Scheme may be allocated or delegated, against any cost or expense (including legal fees) or liability incurred or to be incurred by him (including any sum paid in settlement of a claim with the approval of the Board) in connection with or arising out of any default or omission to act in connection with the 2012 Share Option Scheme, unless the same shall arise out of such person's fraud or bad faith.

13. VARIATIONS AND TERMINATION

- (1) The Board may from time to time in their absolute discretion waive or amend such of the rules of the 2012 Share Option Scheme as they deem desirable, provided that, except with the prior approval of the Company in general meeting, no alteration shall be made to the 2012 Share Option Scheme extending the class of Eligible Participants or altering to the advantage of Grantees (present or future) any of the provisions of the 2012 Share Option Scheme as to the limitations on the grant of Options or as to the determination of Exercise Prices or as to the adjustment of Options or as to the restrictions on the exercise of Options or as to the rights to be attached upon their issue to Shares issued upon the exercise of Options or as to rights of Grantees on the winding up of the Company under paragraph 8(1)(i) above or as to the transferability or assignability of Options.
- (2) No amendments to the 2012 Share Option Scheme shall be made which would have the effect of abrogating or altering adversely any of the subsisting rights of Grantees except with such consent on their part as would be required under the provisions of the Company's bye-laws if the Options constituted a separate class of share capital and if such provisions applied mutatis mutandis thereto.

- (3) Either the Board, or the Company by an ordinary resolution in general meeting, may terminate the 2012 Share Option Scheme at any time prior to the end of the Scheme Period, provided that Options granted prior to such termination, to the extent not already exercised, shall continue to be valid and exercisable in accordance with the rules of the 2012 Share Option Scheme.

14. CANCELLATION OF OPTIONS

- (1) The Board may effect a 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.
- (2) 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 2012 Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within the limits set out hereinabove.

15. GOVERNING LAW

The 2012 Share Option Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

16. PERIOD OF THE 2012 SHARE OPTION SCHEME

The 2012 Share Option Scheme, if approved by the Shareholders, shall take effect from 8 August 2012 immediately following the close of the Special General Meeting resolving to adopt the 2012 Share Option Scheme, and shall remain in force for a period of ten (10) years commencing from 8 August 2012 and expiring on the Scheme Expiry Date (both dates inclusive), after which period no further Options shall be offered or granted but the provisions of the 2012 Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the 2012 Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the Scheme Expiry Date until the last date of the Exercise Period concerned.

17. MISCELLANEOUS

- (1) Each 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 whatsoever in favour of any third party over or in relation to any Option or enter into any agreement to do so. Any breach of the aforesaid rule by a Grantee shall entitle the Company to cancel or annul any Option granted to such Grantee to the extent not already exercised. The 2012 Share Option Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his office or employment shall not be affected by his participation in the 2012 Share Option Scheme.

- (2) The 2012 Share Option Scheme shall not confer on any person any legal or equitable right, other than those constituting the Options themselves, against the Company directly or indirectly or give rise to any cause of action at law or in equity by or on behalf of the Grantees against the Company.

- (3) A Grantee shall pay all tax and discharge all liabilities to which he may become subject to as a result of his participation in the 2012 Share Option Scheme or the exercise of any Option.

NOTICE OF SPECIAL GENERAL MEETING



TYSAN HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 687)

NOTICE IS HEREBY GIVEN THAT the Special General Meeting of Tysan Holdings Limited (the “**Special General Meeting**” and the “**Company**” respectively) will be held at Gloucester Room I, 3rd Floor, The Excelsior, 281 Gloucester Road, Causeway Bay, Hong Kong at 3:30 p.m. on Wednesday, 8 August 2012 (or so soon thereafter, or earlier, as the case may be, immediately after the conclusion of the Company’s annual general meeting to be held at the same venue at 3:00 p.m. on the same day) for the purposes of considering and, if thought fit, passing, with or without amendments, the following proposed resolutions as Ordinary Resolutions of the Company by way of poll:

ORDINARY RESOLUTIONS

- A. “**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, shares in the capital of the Company which may fall to be issued pursuant to the exercise of any options under the proposed new share option scheme of the Company, the principal terms of which are summarized in the circular dated 13 July 2012 of the Company (the rules of which are contained in the document produced to the meeting marked “A” and signed by the Chairman of this meeting for the purposes of identification) (the “**2012 Share Option Scheme**”), the 2012 Share Option Scheme be and is hereby approved and adopted by the Company and that the board of directors of the Company be and is hereby authorized 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 2012 Share Option Scheme including but without limitation:
- (a) to administer the 2012 Share Option Scheme under which options will be granted to eligible participants under the 2012 Share Option Scheme in accordance with the terms thereof to subscribe for shares of the Company;
 - (b) to modify and/or amend the 2012 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2012 Share Option Scheme relating to the modification and/or amendment thereof;
 - (c) to issue and allot from time to time such number of shares in the capital of the Company as may be required to be issued and allotted pursuant to the exercise of the options under the 2012 Share Option Scheme;

NOTICE OF SPECIAL GENERAL MEETING

- (d) to make application at the appropriate time or times and from time to time to the Stock Exchange for the listing of and permission to deal in any shares of the Company which may from time to time be issued and allotted pursuant to the exercise of the options granted under the 2012 Share Option Scheme; and
 - (e) to consent or adopt, 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 2012 Share Option Scheme.”
- B. “**THAT** subject to and conditional upon the passing of Ordinary Resolution A set out in the notice convening this meeting, the existing share option scheme of the Company and its subsidiaries which was adopted by the Company in general meeting on 28 August 2002 be terminated with effect from the date on which the 2012 Share Option Scheme (as defined in Ordinary Resolution A set out in the notice convening this meeting) shall take effect unconditionally.”

By order of the Board
TYSAN HOLDINGS LIMITED
Wong Suk Han, Kitty
Company Secretary

Hong Kong, 13 July 2012

Notes:

1. Any Shareholder entitled to attend and vote at the Special General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a Shareholder.
2. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited with the Company at the Company’s principal office in Hong Kong at 20th Floor, One Island South, No.2 Heung Yip Road, Wong Chuk Hang, Hong Kong not less than 48 hours before the time appointed for holding the Special General Meeting or any adjourned meeting thereof.
3. For the purpose of the Special General Meeting, in order to qualify for attending and voting at the Special General Meeting, duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong, by no later than 4:30 p.m. on Friday, 3 August 2012. The Register of Members of the Company will be closed from Monday, 6 August 2012 to Wednesday, 8 August 2012 (both dates inclusive), during which period no transfer of shares of the Company will be registered.

As at the date of this notice, the executive directors of the Company are Mr. Francis Cheung; Mr. Fung Chiu Chak, Victor; Mr. David Chien; Miss Jennifer Kwok; Mr. Chiu Chin Hung; Mr. Wong Kay; Mr. Lau Kin Fai and Mr. Cheung Harvey Jackel; and the independent non-executive directors of the Company are Mr. Fan Chor Ho, Paul; Mr. Tse Man Bun and Mr. Lung Chee Ming, George.