

# COMPUTIME GROUP LIMITED

(the "Company")

## Company Securities Dealing Rules

### Introduction

The Company, as a principle, encourages the holding of the Company's shares by employees as long-term investments, but discourages short-term speculative dealings. To protect both the employees and the Company from any potential breaches of the varied and complex legislation when dealing in the Company's shares the rules set out below (the "Rules") have been adopted. The Rules are based on the "Model Code for Securities Transactions by Directors of Listed Issuers" and the "Guide on disclosure of price-sensitive information", as issued by The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The laws regarding insider trading apply to all staff. These Rules, however, mainly apply to directors and senior personnel and certain employees of the Company, the Company's subsidiary and the Company's holding company who, because of their office or employment, are more likely to be in possession of unpublished price-sensitive information relating to the Company or its securities (together "Relevant Employees"). The Relevant Employees should be individually notified and provided with a copy of the Rules. These Rules will be posted on the Company's intranet and the Human Resource Department shall make sure all employees would file appropriate notification forms (see Annexure II) at the ends of March and September each year.

### When dealings should not take place?

By nature of their positions, Relevant Employees will be considered to be in possession of unpublished price-sensitive information, for example, prior to the announcement of the Company's results for any year, half-year or any other interim period, and accordingly there must be restrictions on when they can deal in the Company's securities.

If a Relevant Employee is aware of a matter of an exceptional nature relating to the Company, he must not deal in the Company's securities. Please be reminded that if there is an investigation into share dealings, for example, as a result of an unusual price movement prior to the publication of the relevant announcement of an acquisition, it may be difficult for the Relevant Employee who had dealt in the Company's securities to prove that he had no prior knowledge of the event.

### **1. Dealings by Relevant Employees**

- 1.1 A Relevant Employee must not deal in the Company's securities during a "close period". A close period is:
- (a) the period from **May 1** of each year to the date of the annual results announcement (the period is not to be less than 60 days preceding such announcement); and
  - (b) the period from **November 1** of each year to the date of the interim results announcement (the period is not to be less than 30 days preceding such announcement).

- 1.2 A Relevant Employee must not deal in the Company's securities at any time when he is in possession of unpublished price-sensitive information in relation to those securities, or where clearance to deal is not otherwise conferred upon him under 2.1 of the Rule.
- 1.3 "price-sensitive information" is information which:
- 1.3.1 might be reasonably expected to materially affect market activity in and the price of the Company's securities;
  - 1.3.2 is necessary to avoid the establishment of a false market in the Company's securities;
  - 1.3.3 is necessary to enable the public to appraise the position of the group; or
  - 1.3.4 is specific and relates to the Company's securities rather than to securities in general.

Deciding on what information is price-sensitive is a matter of judgement and no definitive list can be given, however, the following events are likely to be price-sensitive:

- announcements of financial results and dividends to be paid;
- exceptional matters (such as acquisitions, realization and transactions with connected persons (as defined in The Rules Governing The Listing of Securities on the Stock Exchange));
- signing an important contract;
- entering into a significant joint venture;
- fund-raising exercises or major alterations to the capital structure;
- comments on the prospects for future earnings or dividends;
- release of any projected profits;
- a large foreign exchange loss;
- major market upheaval in the industries, countries or regions where the Company has significant operations or transactions;
- premature removal of auditors or directors etc. before end of their term in office;
- cancellation of an agreement which was previously the subject of an announcement;
- resignation of chief executive;
- the Company being aware that its auditors will issue a qualified report on its results;
- any change of accounting policy that may have a significant impact on the accounts; or
- events beyond the control of the Company and is of material significance to the Company's business, operations or financial performance.

## **2. Procedures for notifying the Designated Director**

### Prior to dealing

- 2.1 A Relevant Employee must notify in writing (using the form set out in Annexure IA) the Designated Director and must receive a dated written acknowledgement before dealing in any securities of the Company. In the Designated Director's own case, he must not deal in any securities of the Company without first notifying the chairman of the board of the Company and receiving a dated written acknowledgement.

In each case,

- (a) a response to a request for clearance to deal must be given to the relevant director within five business days of the request being made; and
- (b) the clearance to deal in accordance with (a) above must be valid for no longer than five business days of clearance being received.

Note : For the avoidance of doubt, the restriction under 1.2 of the Rules applies in the event that price sensitive information develops following the grant of clearance.

“Designated Director” means:

- (a) Mr. Auyang Ho; or
- (b) Ms. Alice Choi.

- 2.2 Such notification is also required in respect of the intended exercise of options under a Company’s share option scheme.

### After dealing

- 2.3 Directors and Chief Executive of the Company need to confirm to the Designated Director of changes in their discloseable interests in the Company’s securities within 2 business days.
- 2.4 All other Relevant Employees need to confirm to the Designated Director immediately after completion of their dealings in the Company’s securities (using the form set out in Annexure IB).
- 2.5 All Relevant Employees (other than the Directors and Chief Executive of the Company) should notify in writing (using the form set out in Annexure II) the Company Secretary (to be delegated to the Human Resource Department) at the ends of September and March each year of all their dealings in the securities of the Company during the 6-month period ended 30 September and 31 March respectively.
- 2.6 A written record will be maintained by the Company Secretary of the receipts of all notifications and of any written acknowledgement and objection given.

## **3. Dealing in exceptional circumstances**

- 3.1 In exceptional circumstances where the proposed sale of the Company’s securities is the only reasonable course of action available to a Relevant Employee, the Designated Director may give clearance for the Relevant Employee to sell (but not to purchase) such securities when he would otherwise be prohibited from doing so. The Company shall give written notice of such sale to the Stock Exchange as soon as practicable stating why the Company considered the circumstances to be exceptional. The Company shall also publish an announcement immediately after any such sale.

An example of the type of circumstances which may be considered exceptional for these purposes would be a pressing financial need on the part of the Relevant Employee that cannot otherwise be satisfied. The determination of whether circumstances are exceptional for this purpose must be made by the Chairman of the Board or the Designated Director.

## **4. Relevant Employee acting as trustee**

- 4.1 Where a Relevant Employee is a sole trustee, the provisions of the Rules will apply to all dealings of the trust, as if he were dealing on his own account (unless the Relevant Employee is a bare trustee and neither he nor any of his associates is a beneficiary of the trust, in which case the Rules will not apply).
- 4.2 Where a Relevant Employee is a co-trustee, he must advise his co-trustees that he is a Relevant Employee so as to enable them to anticipate possible difficulties. If he or any of his associates is not a beneficiary, a dealing in the Company's securities undertaken by that trust will not be regarded as a dealing by him for the purposes of the Rules where the decision to deal is taken by the other trustee(s) and he has not participated in or influenced the decision to deal in the securities.
- 4.3 Any Relevant Employee who is a beneficiary, but not a trustee, of a trust which deals in the Company's securities must endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he in turn may notify the Company. For this purpose, he must ensure that the trustees are aware of the Company of which he is a Relevant Employee.

## **5. Dealing by connected persons and investment managers**

- 5.1 The restrictions on dealings by a Relevant Employee contained in the Rules will be regarded as equally applicable to the following dealings:
  - 5.1.1 any dealings in the Company's securities by the Relevant Employee's spouse or by or on behalf of any minor child (natural or adopted) of the Relevant Employee;
  - 5.1.2 any dealings in the Company's securities in which for the purposes of Part XV of the Securities and Futures Ordinance the Relevant Employee is or is to be treated as interested (e.g. any dealings made by a corporation in which the Relevant Employee owns 1/3 or more shareholdings); or
  - 5.1.3 where a Relevant Employee or his associate places investment funds comprising securities of the Company under professional management, discretionary or otherwise, any dealings by the investment fund manager in the Company's securities.

It is the duty of the Relevant Employee, therefore, to seek to avoid any such dealings at a time when he himself is not free to deal.

- 5.2 For the purposes of 5.1 above, a Relevant Employee must advise all such connected persons and investment fund managers:
  - 5.2.1 that he is a Relevant Employee;
  - 5.2.2 of the close periods during which they cannot deal in the securities of the Company;
  - 5.2.3 of any periods when the Relevant Employee knows he himself is not free to deal in securities of the Company under the Rules (and therefore they cannot deal in the Company's securities as well) unless his duty of confidentiality to the Company prohibits him from disclosing such periods; and
  - 5.2.4 that they must advise him immediately after they have dealt in the Company's securities.

## **6. Dealing in special circumstances**

## Exercise of options

- 6.1 The Designated Director may allow the exercise of an option under a Share Option Scheme where the final date for the exercise of such option falls during any prohibited period and the Relevant Employee could not reasonably have been expected to exercise it at an earlier time when he was free to deal.
- 6.2 Where an exercise is permitted pursuant to paragraph 6.1 of the Rules, clearance will not be given for the sale of securities acquired pursuant to such exercise.

## **7. Guidance on other dealings**

- 7.1 For the avoidance of doubt, the followings constitute dealings for the purpose of the Rules and are consequently subject to the provisions of the Rules:
  - 7.1.1 Dealings between Relevant Employees;
  - 7.1.2 Off-market dealings; and
  - 7.1.3 Transfer for no consideration by a Relevant Employee other than transfers where the Relevant Employee retains a beneficial interest under the Companies Laws
- 7.2 For the avoidance of doubt, the following dealings are not subject to the provisions of the Rules:
  - 7.2.1 Undertakings or elections to take up entitlements under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a “dealing” and hence is subject to the provisions of the Rules;
  - 7.2.2 allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend); and
  - 7.2.3 undertakings to accept, or the acceptance of, a takeover offer.

**Annexure IA**

*[To be completed by the Relevant Employee and sent to the Company **BEFORE** dealing in the Company's securities]*

(This form is also applicable to any dealings by the Relevant Employee's spouse, child below 18 years old and corporation owned one-third or more by the Relevant Employee etc.)

**Computime Group Limited**

To: The Designated Director  
c/o the Company Secretary  
Computime Group Ltd.  
17/F Great Eagle Centre  
23 Harbour Road, Wanchai  
Hong Kong  
(Fax no. (852) 2260 0499)

**Securities Dealing Notification Form – Notification before securities dealing**

In accordance with the Company Securities Dealing Rules, I hereby notify you of my intention to deal in the Company's securities as set out below:

Type of Securities	Nature of transaction (e.g. purchase / sale of shares or exercise of share options)	No. of shares intended to be purchased / sold or no. of share options to be exercised
Shares		
Others		

Please acknowledge receipt of this notification by signing, dating and returning to me the counterpart of this notification.

Name: ..... Signature: .....  
Position: ..... Tel. no.: .....  
Fax no.: ..... Date: .....

\*\*\*\*\*

To: .....

With respect to your above notification, I acknowledge that the notification has been received and the Designated Director has no\* objection to your intended dealing(s) This acknowledge and clearance to deal is valid for five business days from the date of this acknowledge. If the transaction is not undertaken within that period, please submit a revised notification.

Reasons for objection, if applicable:

.....

Please confirm when the transaction has been completed by completing and returning to the Company the Annexure IB.

Date: ..... Signature of Designated Director: .....  
Name and title: .....

\* delete as appropriate

**Annexure IB**

*[To be completed by the Relevant Employee and sent to the Company **IMMEDIATELY AFTER** completion of their dealing in the Company's securities]*

**(This form is also applicable to any dealings by the Relevant Employee's spouse, child below 18 years old and corporation owned one-third or more by the Relevant Employee etc.)**

**Computime Group Limited**

To: The Designated Director  
c/o the Company Secretary  
Computime Group Ltd.  
17/F Great Eagle Centre  
23 Harbour Road, Wanchai  
Hong Kong  
(Fax no. (852) 2260 0499)

**Securities Dealing Notification Form – Completion of securities dealing**

I refer to my notification dated ..... and would like to confirm my dealing in the Company's securities as set out below:

<b>Type of Securities</b>	<b>No. of shares purchased / sold or no. of share options exercised</b>	<b><u>Date of transaction &amp; Price per share</u></b>
Shares		
Others		

Name: .....

Signature: .....

Position: .....

Tel. no.: .....

Fax no.: .....

Date: .....

**Annexure II**

*[To be completed by the Relevant Employee and sent to the Company immediately after 31 March and 30 September every year]*

**(This form is also applicable to any dealings by the Relevant Employee’s spouse, child below 18 years old and corporation owned one-third or more by the Relevant Employee etc.)**

**Computime Group Limited**

To: The Company Secretary  
c/o the Human Resource Dept  
Computime Group Ltd.  
17/F Great Eagle Centre  
23 Harbour Road  
Wanchai  
Hong Kong  
(Fax no. (852) 2260 0499)

**Securities Dealing Report – for the 6-month period ended 31 March and 30 September each year**

Name:.....Position:.....

Tel no. .... Fax no. ....

In accordance with the Company Securities Dealing Rules, I hereby report my dealings in the Company’s securities during the 6-month period ended .....as below:

<b>Date</b>	<b>Nature of transaction (buy or sell what type of securities)</b>	<b>Quantity and price per share</b>
	[e.g., bought Shares]	[10,000 shares at \$3.00 per share]

Date: ..... Signature: .....