

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 8 June 2016. Our Company has established our principal place of business in Hong Kong at 706-708, 7/F, Lippo Sun Plaza, 28 Canton Road, Tsim Sha Tsui, Kowloon and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 7 July 2016. Our Company has appointed Mr. SK Yuen and Mr. CN Yuen as its authorised representatives for the acceptance of service of process and notices in Hong Kong.

Pursuant to a written resolution of our Shareholder passed on 10 August 2016, our Company has adopted the dual foreign name, “縱橫遊控股有限公司”. On 15 September 2016, a certificate of registration of alteration of name of registered non-Hong Kong company was issued to our Company with our current name, “WWPKG Holdings Company Limited 縱橫遊控股有限公司”.

As our Company was incorporated in the Cayman Islands, we operate subject to the Companies Law and our constitution comprising the Memorandum and the Articles. A summary of various provisions of our Company’s constitution and certain relevant aspects of the Companies Law is set out in Appendix III to this prospectus.

2. Changes in share capital of our Company

As at the date of incorporation of our Company, our authorised share capital was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. Following its incorporation, one Share was allotted and issued as fully paid to the first subscriber, an Independent Third Party, which was subsequently transferred to WWPKG Investment at par on 8 June 2016.

On 5 July 2016, our Company allotted and issued 2,521 Shares and 2,342 Shares respectively to WWPKG Investment credited as fully paid as consideration for the acquisition of 51,180 shares and 47,530 shares respectively in PTHK, being approximately 98.71% of its then entire issued share capital in aggregate, from Ms. Chan and Mr. SK Yuen, by WWPKG Management.

On 5 July 2016, our Company allotted and issued 4,280 Shares and 856 Shares respectively to WWPKG Investment credited as fully paid as consideration for the acquisition of 12,500 shares and 2,500 shares respectively in Worldwide Package, being its then entire issued share capital in aggregate, from Ms. Chan and Mr. CN Yuen, by WWPKG Management.

Pursuant to the written resolutions of our Shareholder passed on 16 December 2016, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$100,000,000 divided into 10,000,000,000 Shares.

Immediately following completion of the Share Offer and the Capitalisation Issue, the authorised share capital of our Company will be HK\$100,000,000 divided into

10,000,000,000 Shares and the issued share capital of our Company will be HK\$4,000,000 divided into 400,000,000 Shares fully paid or credited as fully paid. Save as disclosed in this prospectus, our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this prospectus, there has been no other alteration in the share capital of our Company since the date of its incorporation.

3. Written resolutions of our Shareholder passed on 16 December 2016

On 16 December 2016, resolutions in writing were passed by our Shareholder pursuant to which, among other matters:

- (a) our Company approved and conditionally adopted the Memorandum and the Articles which will become effective on Listing Date, the terms of which are summarised in “Summary of the Constitution of our Company and the Cayman Islands Company Law” in Appendix III to this prospectus;
- (b) conditional on (i) the Listing Division granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and the Underwriting Agreements not being terminated in accordance with the terms of the Underwriting Agreements or otherwise:
 - (i) the Share Offer was approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Share Offer;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in “— D. Share Option Scheme”, were approved and adopted and our Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme;
 - (iii) conditional on the share premium account of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise an amount of HK\$2,999,900 standing to the credit of the share premium account of our Company and to appropriate such amount as capital to pay up in full at par 299,990,000 Shares for allotment and issue to the Shareholders whose names appear on the register of members of our Company at the close of business on the date this resolution was passed, and our Directors were authorised to give effect to such capitalisation and distribution;
 - (iv) a general unconditional mandate was given to our Directors to allot, issue and deal with (otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the Articles, or pursuant to the exercise of any options which may be granted under the Share Option

Scheme or under the Share Offer or a specific authority granted by our Shareholders) Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation Issue, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands laws to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first;

- (v) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase such number of Shares as will represent up to 10% of the aggregate of the nominal value of the share capital of our Company in issue immediately following completion of the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the options that may be granted under the Share Option Scheme, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any applicable Cayman Islands laws to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first; and
- (vi) the extension of the general mandate as mentioned in paragraph (iv) above by the addition to the aggregate number of the share capital of our Company which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate number of the share capital of our Company repurchased by our Company pursuant to paragraph (v) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the Share Offer and the Capitalisation Issue but excluding any Shares which may be issued upon the exercise of the options that may be granted under the Share Option Scheme.

4. Corporate reorganisation

In preparation for the Listing, the companies comprising our Group underwent the Reorganisation to rationalise the corporate structure of our Group. For further details, please refer to “History, Reorganisation and Development”.

5. Changes in share capital of our subsidiaries

Our Company’s subsidiaries are listed in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in “History, Reorganisation and Development”, there has been no other change to the share capital of any of the subsidiaries of our Company within the two years immediately prior to the date of this prospectus.

6. Particulars of our subsidiaries

Particulars of our subsidiaries are set forth in the Accountant's Report, the text of which is set forth in Appendix I to this prospectus.

7. Repurchase of our own securities

This paragraph includes information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of our own securities.

(a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(i) Shareholders' approval

All proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

Note: Pursuant to the written resolution of our Shareholder passed on 16 December 2016, a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors authorising repurchase of Shares by our Company as described above in "— A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholder passed on 16 December 2016".

(ii) Source of funds

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and the Articles, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands.

(iii) Core connected persons

The GEM Listing Rules prohibit a company from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or his or her or its close associates and a core connected person shall not knowingly sell his or her or its securities to such company.

(iv) Status of repurchased Shares

The listing of all repurchased Shares (whether offered on the Stock Exchange or otherwise) on GEM will automatically be cancelled and the certificates for those Shares shall be cancelled and destroyed.

(v) Trading restrictions

The total number of shares which a listed company may repurchase on GEM is the number of shares representing up to a maximum of 10% of the aggregate number of shares of that company in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or higher than the average closing market price for the five preceding trading days on which its shares were traded on GEM. The GEM Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant minimum prescribed percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(vi) Suspension of repurchase

A listed company may not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of a listed company's results for any year, half-year, quarter-year or any other interim period (whether or not required under the GEM Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year, half-year or quarter-year under the GEM Listing Rules, or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on GEM if a listed company has breached the GEM Listing Rules.

(vii) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of

securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(b) Funding of purchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles, the GEM Listing Rules and the applicable laws and regulations of the Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of our Company legally permitted to be utilised in this connection, including profits and share premium of our Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles and subject to the Companies Law, out of capital of our Company.

Our Company may not repurchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(c) Reasons for repurchases

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

(d) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 400,000,000 Shares in issue immediately after completion of the Share Offer and the Capitalisation Issue (but taking no account of any Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), could accordingly result in up to 40,000,000 Shares being repurchased by our Company during the course of the period (the “**Relevant Period**”) prior to the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles and the applicable laws and regulations of the Cayman Islands to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

(e) **General**

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, has any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to our Company or our subsidiaries.

There might be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the Repurchase Mandate is exercised in full. However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or on its gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the GEM Listing Rules, the Memorandum, the Articles and all the applicable laws and regulations of the Cayman Islands.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interests of the Shareholder(s), could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made after the Listing. Save as aforesaid, our Directors are not aware of any other consequence under the Takeovers Code as a result of a repurchase of Shares made immediately after the Listing.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falls below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules from time to time).

No core connected person of our Company has notified our Company that he has a present intention to sell any Shares to our Company or has undertaken not to do so, if the Repurchase Mandate is exercised.

No repurchase of Shares has been made in the six months prior to the Latest Practicable Date, and in fact since the incorporation of our Company.

B. FURTHER INFORMATION ABOUT OUR BUSINESS**1. Summary of material contracts**







The following contracts (not being contracts in the ordinary course of business of our Group) have been entered into by our Company or its subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the sale and purchase agreement dated 5 July 2016 and made among Ms. Chan, Mr. SK Yuen, WWPKG Management and our Company, pursuant to which WWPKG Management agreed to acquire 51,180 shares and 47,530 shares respectively in PTHK (being approximately 98.71% of the entire issued share capital of PTHK in aggregate) at the consideration of WWPKG Management procuring our Company to allot and issue 2,521 Shares and 2,342 Shares respectively to WWPKG Investment credited as fully paid;
- (b) the sale and purchase agreement dated 5 July 2016 and made among Ms. Chan, Mr. CN Yuen, WWPKG Management and our Company, pursuant to which WWPKG Management agreed to acquire 12,500 shares and 2,500 shares respectively in Worldwide Package (being the entire issued share capital of Worldwide Package in aggregate) at the consideration of WWPKG Management procuring our Company to allot and issue 4,280 Shares and 856 Shares respectively to WWPKG Investment credited as fully paid;
- (c) the agreement for assignment of trademark dated 5 July 2016 with respect to the transfer of the trademark as set out in the schedule to such deed from HCN Y Consultancy Limited to PTHK at a consideration of HK\$100;
- (d) the Deed of Non-competition;
- (e) the Deed of Indemnity; and
- (f) the Public Offer Underwriting Agreement.








2. Intellectual property of our Group

(a) Trademarks

- (i) As at the Latest Practicable Date, our Group was the registered owner of the following trademarks registered in Hong Kong:

No.	Trademark	Registration no.	Trademark owner	Class(es)	Expiry date
1.		300017126	PTHK	39	11 May 2023
2.		300098974	PTHK	39,43	22 October 2023
3.		301715553	PTHK	39,43	14 September 2020
4.		301707994	PTHK	39,43	5 September 2020
5.		303737683	Worldwide Package	39,43	7 April 2026
6.		303737674	PTHK	39,43	7 April 2026

(ii) As at the Latest Practicable Date, our Group has made applications to register the following trademarks:

No.	Trademark	Application no.	Name of applicant	Territory of application	Class(es)	Application date
1.		303737656	PTHK	Hong Kong	39,43	8 April 2016
2.		19611171	PTHK	China	39	13 April 2016
3.		19611172	PTHK	China	43	13 April 2016
4.		19611173	PTHK	China	39	13 April 2016
5.		19611174	PTHK	China	43	13 April 2016
6.		19611175	Worldwide Package	China	43	13 April 2016
7.		19611176	Worldwide Package	China	39	13 April 2016

(b) Domain name

As at the Latest Practicable Date, our Group was the registered proprietor of the following domain name:

Registrant	Domain name	Commencement date	Expiry date
Worldwide Package	<u>wwpkg.com.hk</u>	29 October 1997	N/A

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests

(a) Interests and short positions of directors and chief executives of our Company in the share capital, underlying shares or debentures of our Company and its associated corporations

Immediately following completion of the Share Offer and the Capitalisation Issue (taking no account of Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), the interests or short positions of each of our Directors and the chief executive of our Company in the share capital, underlying shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which, once the Shares are listed, will be required, to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are set out as follows:

Interests in our Company

<u>Name</u>	<u>Nature of interest</u>	<u>Number of Shares (L) ^(Note 1)</u>	<u>Percentage of shareholding</u>
Ms. Chan ^(Note 2)	Interest in a controlled corporation	300,000,000	75%
Mr. SK Yuen ^(Note 2)	Interest in a controlled corporation	300,000,000	75%

Notes:

- (1) The letter "L" denotes the long position in our Shares.
- (2) WWPKG Investment is beneficially owned as to 68.02%, 23.42% and 8.56% by Ms. Chan, Mr. SK Yuen and Mr. CN Yuen respectively. Ms. Chan and Mr. SK Yuen are parties acting jointly and comprise a group of Controlling Shareholders. Ms. Chan and Mr. SK Yuen are therefore deemed to be interested in all the Shares held by WWPKG Investment under the SFO.

Interests in associated corporation of our Company

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Nature of interest</u>	<u>Number of shares (L)^(Note 1)</u>	<u>Approximate percentage of shareholding</u>
Ms. Chan ^(Note 2)	WWPKG Investment	Beneficial owner	9,144	91.44%
Mr. SK Yuen ^(Note 2)	WWPKG Investment	Beneficial owner	9,144	91.44%
Mr. CN Yuen	WWPKG Investment	Beneficial owner	856	8.56%

Notes:

- (1) The letter “L” denotes the long position in the shares of the associated corporation.
- (2) Ms. Chan and Mr. SK Yuen are parties acting jointly and comprise a group of Controlling Shareholders. Hence, they are deemed to be interested in all the Shares held by WWPKG Investment by virtue of the SFO.

Save as disclosed above, immediately following completion of the Share Offer and the Capitalisation Issue (but taking no account of any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), none of the Directors or chief executive of our Company has any interest or short position in the shares, underlying shares or debentures of our Company or any of its associated corporations which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he will be taken or deemed to have under the SFO), or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to our Company and the Stock Exchange once our Shares are listed.

(b) Interests and short positions of substantial shareholders in the share capital of our Company

So far as our Directors are aware, immediately following completion of the Share Offer and the Capitalisation Issue (but taking no account of any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), the following person (not being a director or chief executive of our Company) who will have interests or short positions in the Shares and underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, directly or

indirectly, interested in 10% or more of any nominal value of the share capital carrying rights to vote in all circumstances at general meeting of any member of our Group:

<u>Name</u>	<u>Nature of interest</u>	<u>Number of Shares</u> (L) <i>(Note 1)</i>	<u>Percentage of shareholding</u>
WWPKG Investment ^(Note 2)	Beneficial owner	300,000,000	75%

Notes:

- (1) The letter “L” denotes the long position in our Shares.
- (2) WWPKG Investment is a company incorporated in the BVI with limited liability and is owned by Ms. Chan, Mr. SK Yuen and Mr. CN Yuen as to 68.02%, 23.42% and 8.56% respectively.

Save as disclosed herein but taking no account of any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme, our Directors are not aware of any person (not being a director or chief executive of our Company) who will immediately following completion of the Share Offer and the Capitalisation Issue have interests or short positions in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will immediately following completion of the Share Offer and the Capitalisation Issue be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

2. Directors’ service contracts and remuneration

(a) Directors’ service contracts

Each of our executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months’ notice in writing served by either party on the other.

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months’ notice in writing served by either party on the other.

(b) Directors’ remuneration

The remuneration of our executive Directors are determined based on the relevant Director’s experience, responsibility, workload and the time devoted to our Company.

For the years ended 31 March 2015 and 2016 and the three months ended 30 June 2016, the aggregate amount paid to our Directors as remuneration (including fees,

salaries, contribution to retirement benefit scheme and discretionary performance related bonus) were approximately HK\$6.8 million, HK\$4.3 million and HK\$1.1 million respectively.

For the year ending 31 March 2017, the estimated total compensation payable to our Directors amounts to approximately HK\$4.3 million (excluding any discretionary bonus).

There was no arrangement under which a Director has waived or agreed to waive any emoluments for the Track Record Period.

The basic annual remuneration (subject to annual review and excluding any discretionary bonus) payable by our Group to each of our Directors is as follows:

<u>Name of Director</u>	<u>Annual remuneration</u> (HK\$)
<i>Executive Directors</i>	
Mr. SK Yuen	1,440,000
Ms. Chan	1,800,000
Mr. CN Yuen	1,020,000
<i>Independent non-executive Directors</i>	
Mr. Lam Yiu Kin	200,000
Mr. Yen Yuen Ho Tony	160,000
Mr. Ho Wing Huen	160,000

3. Related party transactions

Our Group was engaged in related party transactions as described in note 29 to the Accountant's Report set out in Appendix I to this prospectus and "Connected Transactions".

4. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors nor any of the persons whose names are listed in "— E. Other information — 6. Qualifications of experts" has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (b) none of our Directors nor any of the persons whose names are listed in "— E. Other information — 6. Qualifications of experts" is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group;

- (c) none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of our Directors or their respective close associates or any of our existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any other interest in any of the five largest customers of our Group;
- (e) none of our Directors or their respective close associates or any of our existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest suppliers of our Group; and
- (f) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

D. SHARE OPTION SCHEME

Summary of terms of the Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of our Company or any subsidiary (including any director of our Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by our Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the sole discretion of the Board (“**the Eligible Participants**”), has contributed or may contribute to our Group as incentive or reward for their contribution to our Group to subscribe for the Shares thereby linking their interest with that of our Group. The basis of eligibility shall be determined by the Board from time to time.

(b) Grant and acceptance of options

On and subject to the terms of the Share Option Scheme and all applicable statutory requirements, our Board shall be entitled at any time within 10 years after the adoption date of the Share Option Scheme to make an offer to any Eligible Participants as our Board may in its absolute discretion select to subscribe for such number of Shares as our Board may determine at the subscription price. An offer shall be made to an Eligible Participant in writing in such form as our Directors may from time to time determine and shall remain open

for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the same.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within 21 days from the date of the offer or within such time as may be determined by our Board pursuant to the GEM Listing Rules. To the extent that the offer to grant an option is not accepted and received by our Company within 21 days in the manner indicated in the offer letter of our Company, it will be deemed to have been irrevocably declined and the offer will lapse.

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

(c) *Subscription price of Shares*

The subscription price for Shares under the Share Option Scheme shall be determined at the absolute discretion of our Directors but in any event will not be less than the highest of (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five consecutive business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

(d) *Maximum number of Shares*

- (i) Subject to (ii) below, the maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of our Group shall not exceed such number of Shares as equals 10% of the issued share capital of our Company at the Listing Date. On the basis of a total of 400,000,000 Shares in issue as at the Listing Date, the relevant limit will be 40,000,000 Shares which represent 10% of the issued Shares at the Listing Date. Our Company may seek approval of the Shareholders in general meeting to renew the scheme mandate limit such that the total number of Shares in respect of which options may be granted by our Directors under the Scheme and any other share option schemes of our Company shall not exceed 10% of the issued share capital of our Company. Options previously granted under the scheme (including those outstanding, cancelled, lapsed in accordance with the scheme or exercised options) shall not be counted for the purpose of calculating the Renewal Limit.

Our Company may authorise our Directors to grant options to specified Eligible Participants beyond the limit of 10% if the grant of such options is specifically

approved by the Shareholders in general meeting. In such case, our Company must send a circular to our Shareholders in connection with the general meeting at which their approval will be sought containing a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the option to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the terms of the options serve such purpose, the information and the disclaimer required under the GEM Listing Rules and such further information as may be required by the Stock Exchange from time to time.

- (ii) The limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other share option schemes of our Group must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Group if this will result in the limit being exceeded.
- (iii) Unless approved by our Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the options granted and to be granted pursuant to the scheme and any other share option schemes of our Group (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (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 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. Our Company must send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant). The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of meeting of our Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.
- (iv) The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, our Directors shall make available sufficient of the then authorised but unissued share capital of our Company to allot the Shares on the exercise of any option.

(e) *Exercise of options*

An option may be exercised at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant.

Subject to terms of the Share Option Scheme, an option shall be exercisable in whole or in part in the circumstances by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is so exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for Shares in respect of which the notice is given. Within 30 days after receipt of the notice and, where appropriate, receipt of the auditors' or the independent financial adviser's certificate, our Company shall accordingly allot the relevant number of Shares to the grantee (or his legal personal representative) credited as fully paid and instruct the relevant share registrar to issue to the grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, our Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as our Directors may determine in their absolute discretion.

(f) *Restrictions on the time of grant of options*

Grant of options may not be made after inside information has come to the knowledge of our Company until such inside information has been announced in accordance with the relevant requirements of the GEM Listing Rules. In particular, no option may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting for the approval of our Company's interim or annual results, and (ii) the deadline for our Company to publish its interim or annual results announcement, and ending on the date of such results announcement.

(g) *Rights are personal to grantees*

An option shall be personal to the grantee and shall not be assignable or transferrable and no grantee shall in any way sell, transfer, charge, mortgage, encumber, assign 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.

(h) *Rights on ceasing employment*

Unless our Board otherwise determines, the option period in respect of any option shall automatically terminate and that option (to the extent not already exercised) shall automatically lapse on the date on which the grantee ceases to be an Eligible Participant by reason of a termination of his employment on any one or more of the grounds that he has

been guilty of misconduct, or has been in breach of a material term of the relevant employment contract, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence.

(i) *Rights on death*

In the event of the grantee ceasing to be an Eligible Participant by reason of his death before exercising the option in full and where the grantee is an employee of our Group none of the events which would be a ground for termination of his employment under paragraph (h) above arises, his personal representative(s) 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 such longer period as our Directors may determine.

(j) *Cancellation of options*

Our Board may, with the consent of the relevant grantee in writing, at any time at its absolute discretion, cancel any option granted but not exercised. Where our Company cancels options and offers new options to the same option holder, the offer of such new options may only be made under the Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the limit approved by our Shareholders as mentioned in paragraph (d) above.

(k) *Effect of alterations to share capital*

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue or other offer of securities to holders of Shares (including any securities convertible into share capital or warrants or options to subscribe for any share capital of our Company, but excluding options under the Share Option Scheme and options under any other similar employee share option scheme of our Company), consolidation, sub-division or reduction of the share capital of our Company or otherwise howsoever, then, in any such case (other than in the case of capitalisation of profits or reserves) our Company shall instruct the auditors or an independent financial adviser to certify in writing:

- (A) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to:
- i. the number or nominal amount of Shares to which the Share Option Scheme or any option(s) relates (insofar as it is/they are unexercised);
 - ii. the subscription price;
 - iii. the maximum number of Shares referred to in paragraph d(i); and/ or
 - iv. the method of the exercise of the option(s).

and an adjustment as so certified by the independent financial adviser appointed by our Company or the auditors shall be made, provided that:

- i. any such adjustment must give a grantee the same proportion of the equity capital as that to which that person was previously entitled;
- ii. any such adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- iii. no such adjustment shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value;
- iv. the issue of securities of our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- v. to the advantage in any respect of the grantee without specific prior approval of our Shareholders.

(B) in respect of any such adjustment, other than any made on a capitalisation issue, the independent financial adviser or the auditors must confirm to our Directors in writing that the adjustment so made satisfies the requirements of the relevant provisions of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.

(I) *Rights on a general offer*

If a general or partial offer is made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all its reasonable endeavours to procure that such 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, Shareholders. If such offer becomes or is declared unconditional prior to the expiry of the option period, the grantee shall, notwithstanding any other term on which his options were granted, be entitled to exercise the option (to the extent to which it has become exercisable and not already exercised) to its full extent at any time thereafter and up to the close of such offer).

(m) *Rights on winding up*

If a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same day as or soon after it despatches such notice to each member of our Company give notice thereof to all the grantees and thereupon, each grantee (or his respective personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to our Company, accompanied by the remittance of the

subscription price in respect of the relevant option (such notice to be received by our Company not later than two business days prior to the proposed general meeting of our Company) exercise the option (to the extent which has become exercisable and not already exercised) whether in full or in part and our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee which may fall to be issued on such exercise credited as fully paid and register the grantee as holder of such Shares.

(n) *Rights on a compromise or arrangement*

Other than a general or partial offer or a scheme of arrangement contemplated in paragraph (o) below, if a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to all the grantees on the same day as it despatches the notice which is sent to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon each grantee (or his personal representative(s)) may by notice in writing to our Company accompanied by the remittance of the subscription price in respect of the relevant Option (such notice to be received by our Company not later than two business days before the proposed meeting) exercise any of his Options (to the extent which has become exercisable and not already exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Our Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares to the grantee which may fall to be issued on such exercise credited as fully paid and register the grantee as holder of such Shares. Upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the scheme. Our Company may require the Grantee (or his personal representative(s)) 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 the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(o) *Rights on a scheme of arrangement*

If a general or partial offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by our Company, after which it shall lapse) exercise the option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice.

(p) *Ranking of Shares*

Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles 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 of their allotment and issue (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. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered onto the register of members of our Company as the holder thereof.

(q) *Duration and administration of the Share Option Scheme*

The Share Option Scheme shall be valid and effective commencing from the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of our Company on the date which falls ten years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The Share Option Scheme shall be subject to the administration of our Board whose decision on all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided therein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

(r) *Alterations to the terms of the Share Option Scheme*

- i. alterations of the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of Eligible Participant without the prior approval of our Shareholders in general meeting;
- ii. any alteration to the terms and conditions of the Share Option Scheme which are of a material nature or change the authority of our Board must be approved by our 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 our Directors or administrator of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in general meeting; and
- iv. the amended terms of the Share Option Scheme or the options must still comply with the relevant requirements of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.

(s) *Conditions of the Share Option Scheme*

The Share Option Scheme is conditional upon:

- i. the Listing Committee granting the listing of, and permission to deal in, any Shares to be issued by our Company pursuant to the exercise of options in accordance with the terms and conditions of the Share Option Scheme;
- ii. commencement of dealings of Shares on the Stock Exchange;
- iii. the passing of the necessary resolution to approve and adopt the Share Option Scheme by our Shareholders in general meeting or by way of written resolution and to authorise our Directors to grant options at their absolute discretion thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options granted under the Share Option Scheme; and
- iv. the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, following the waiver(s) of any conditions by the Sole Global Coordinator (for itself and on behalf of the Underwriters) and not being terminated in accordance with their terms or otherwise.

(t) *Grant of options to connected persons or any of their associates*

Each grant of options to a Director, chief executive or substantial Shareholder or an independent non-executive Director (as defined in the GEM Listing Rules) of our Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the option (if any)). Where any grant of options to a substantial Shareholder or an independent non-executive Director, 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:

- i. representing in aggregate over 0.1% of the Shares in issue; and
- ii. having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by our Shareholders by way of a poll in general meeting. The proposed grantee, his associates and all core connected persons of our Company must abstain from voting at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. Our Company must send a circular to its Shareholders. The circular must contain:

- (i) details of the number and terms (including the subscription price) of the options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the meeting of our Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price;

- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options) to the independent Shareholders as to voting; and
- (iii) the information as may be required under the GEM Listing Rules from time to time.

Shareholders' approval is also required for any change in the terms of options granted to an Eligible Participant who is a substantial Shareholder (as defined in the GEM Listing Rules) or an independent non-executive Director, or any of their respective associates.

(u) *Lapse of option*

The Option Period (as defined in the Share Option Scheme) in respect of any option shall automatically terminate and that option (to the extent not already exercised) shall automatically lapse on the earliest of:

- i. the expiry of the Option Period;
- ii. the expiry of any of the periods referred to in paragraphs (h), (i) or (n), where applicable;
- iii. subject to the court of competent jurisdiction not making an order prohibiting the offeror from acquiring the remaining shares in the offer, the expiry of the period referred to in paragraph (l);
- iv. subject to the scheme of arrangement becoming effective, the expiry date of the period referred to in paragraph (o);
- v. the date on which the grantee ceases to be an Eligible Participant for any reason other than his death or the termination of his employment or engagement on one or more grounds specified in (vi) below;
- vi. the date on which the grantee of an option ceases to be an Eligible Participant by reason of the termination of his employment or engagement on grounds including, but not limited to, misconduct, a breach of a material term of employment contract, bankruptcy, insolvency and conviction of any criminal offence;
- vii. the date of the commencement of the winding-up of our Company referred to in paragraph (m);
- viii. the date on which the grantee commits a breach of paragraph (g); or
- ix. the date on which the option is cancelled by our Board as set out in paragraph (j).

(v) *Termination*

Our Company by an ordinary resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered

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 granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme and the GEM Listing Rules.

(w) *Disputes*

Any dispute arising in connection with the Share Option Scheme (whether as to the number of Shares of an option, any of the matters referred to in paragraph (k) or above or otherwise) shall be referred to the decision of the auditors or the independent financial adviser who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

(x) *Present status of the Share Option Scheme*

Application has been made to the Listing Division for the approval of the Share Option Scheme, the subsequent grant of options under the Share Option Scheme and the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, being 40,000,000 Shares in total, which shall represent 10% of the Shares in issue upon completion of the Share Offer.

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

(y) *Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of the options. Our Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

(z) *Disclosure in annual and interim reports*

Our Directors shall procure that details of the Share Option Scheme and other schemes of our Company and its subsidiaries are disclosed in the annual reports and interim reports of our Company in compliance with the GEM Listing Rules in force from time to time.

As at the Latest Practicable Date, no option had been granted or agreed to be granted under the Share Option Scheme.

Our Board confirms that it will not approve the exercise of any option if as a result which our Company will not be able to comply with the public float requirements under the GEM Listing Rules.

E. OTHER INFORMATION

1. Estate duty, tax and other indemnity

Indemnity on estate duty and taxation

Our Controlling Shareholders (the “**Indemnifiers**”) have entered into the Deed of Indemnity in favour of our Company (for itself and as trustee of other members of our Group (the “**Group Member(s)**”) pursuant to which, the Indemnifiers have agreed and undertaken, jointly and severally, that he/she/it will indemnify and at all times keep them and each of them indemnified on demand on a full indemnity basis against any depletion in or reduction in value of their respective assets, or increase in their respective liabilities, or any payment made or required to be made by any of the Group Members, or any increase in the liabilities, or loss, modification, cancellation, reduction or deprivation of any relief, at any of the Group Members, as a direct or indirect consequence of, and in respect of any amount which the Group Members or any of them may thereafter become liable to pay, being:

- (a) any duty which is or thereafter becomes payable by the Group Members or any of them by virtue of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) (the “**Estate Duty Ordinance**”) and under the provisions of section 43 of the Estate Duty Ordinance by reason of the death of any person and by reason of the assets of the Group Members or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death by reason of that person making or having made a relevant transfer to the Group Members or any of them at any time prior to the date on which the Revenue (Abolition of Estate Duty) Ordinance 2005 came into effect (being 11 February 2006, the “**Abolition Date**”); and/or
- (b) any amount recovered (now or hereafter) against the Group Members or any of them under the provisions of section 43(7) of the Estate Duty Ordinance in respect of any duty payable under section 43(1) of the Estate Duty Ordinance by reason of the death of any person and by reason of the assets of the Group Members or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death by reason of that person making or having made a relevant transfer to the Group Members or any of them at any time on or prior to the Abolition Date; and/or
- (c) any amount of duty which the Group Members or any of them is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance in respect of the death of any person in any case where the assets of another company or any of them are deemed for the purpose of estate duty to be included in the property passing on that person’s death by reason of that person making or

having made a relevant transfer to that other company and by reason of the Group Members or any of them having received any distributed assets of that other company on their distribution within the meaning of the Estate Duty Ordinance, in each case at any time on or prior to the Abolition Date, but only to the extent to which the Group Members or any of them are/is (after taking such steps as are reasonable having regard to the circumstances prevailing at the relevant time) unable to recover an amount or amounts in respect of that duty from any other person under the provisions of section 43(7)(a) of the Estate Duty Ordinance.

The Indemnifiers have also agreed and undertaken, jointly and severally, to indemnify our Company and each Group Member on demand and at all times to keep the same indemnified on demand on a full indemnity basis from and against:-

- (a) the amount of any and all taxation falling on any of the Group Members
 - (i) resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring (or deemed to be so earned, accrued, received, entered into or occurring) on or before the Listing Date (the “**Effective Date**”); (ii) resulting from or by reference to any event occurring or deemed to occur on or before such date whether alone or in conjunction with another event or other events; or (iii) in respect of or in consequence of any act or omission of any of the Group Members regarding the inter-companies transactions on or before the Effective Date; (iv) in conjunction with any other circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any and all taxation resulting from the receipt by any of the Group Members of any amounts paid by the Indemnifiers under the Deed of Indemnity; or (v) by reason of any transfer of any property to any of the Group Members or to any other person, entity or company made or deemed to have been made on or before the Effective Date, whether or not such taxation is chargeable against or attributable to any other person, firm or company, unless such liability to taxation is also discharged by such other person, firm or company;
- (b) any liability for Hong Kong estate duty which might be incurred by any Group Member by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance or the equivalent or similar thereof under the laws of any jurisdictions outside Hong Kong) to a member of our Group on or before Listing;
- (c) all actions, claims, losses, damages, costs (including all legal costs), expenses, demands, proceedings, judgements, charges, fees, penalties, fines or other liabilities which any of the Group Members may make, suffer or incur in connection with, but without limitation to the generality of the foregoing:-
 - (i) the investigation, assessment or the contesting of any taxation claim;

- (ii) the settlement of any taxation claim;
- (iii) any litigation, arbitration, legal proceedings and/or non-compliance of the Group Members with any applicable laws, rules and regulations in Hong Kong or any other jurisdictions by any Group Company on or before the Effective Date, including without limitation all incidents of non-compliance, violation or breach as disclosed in this prospectus, in which any of the Group Members claims under or in respect of the Deed of Indemnity and in which award, decision or judgment is given for any of the Group Members; and
- (iv) the enforcement of any such settlement, judgment or award.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries under the laws of the Cayman Islands, the BVI and Hong Kong, being jurisdictions in which one or more of the companies comprising our Group are incorporated.

The Indemnifiers will, however, not be liable for any taxation or taxation claim to the extent that, among others:

- (a) full provision has been made for such taxation in the consolidated audited accounts of our Company or the audited accounts of any Group Member;
- (b) the taxation liability arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice, or a retrospective increase in tax rates coming into force after the Effective Date; and
- (c) the taxation liability arises as a result of transactions entered into by any of the Group Members in the ordinary course of business after the Effective Date.

The Indemnifiers have further agreed and undertaken, jointly and severally, unconditionally and irrevocably to fully and effectually indemnify our Company and other Group Members and at all times to keep the same indemnified on demand from and against all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses, interests, penalties and fines of whatever nature suffered or incurred directly or indirectly by any of the Group Members as a result of or in connection with any litigation, arbitration, claims (including counter-claims), complaints, demands, and/or legal proceedings instituted by or against our Company or any Group Member on or before the Effective Date.

2. Litigation

As at the Latest Practicable Date, no member of our Group is engaged in any litigation, claim or arbitration of material importance and no litigation, arbitration or claim of material

importance is known to our Directors to be pending or threatened against any member of our Group, that would have a material adverse effect on our financial condition and results of operation.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Division for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein (including any Shares falling to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme).

The Sole Sponsor is independent from our Company pursuant to Rule 6A.07 of the GEM Listing Rules. The total amount of fees payable to the Sole Sponsor by our Company for sponsoring the listing of the Shares on the Stock Exchange is HK\$3.9 million.

4. Preliminary expenses

Our preliminary expenses are estimated to be approximately HK\$34,000 and are payable by our Company.

5. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules. Save as disclosed above, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefits have been paid, allotted or given to any promoters in connection with the Share Offer or the related transactions described in this prospectus.

6. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus:

<u>Name</u>	<u>Qualification</u>
Lego Corporate Finance Limited	A licensed corporation under the SFO to engage in type 6 (advising on corporate finance) regulated activity as defined under the SFO
Appleby	Legal advisers to our Company as to Cayman Islands law
Crowe Horwath (HK) Consulting & Valuation Limited	Industry research consultant
PricewaterhouseCoopers	Certified Public Accountants
Soga Law Office	Legal advisers to our Company as to Japan law
Queenie W.S. Ng	Barrister-at-law in Hong Kong

7. Consents of experts

Each of the experts named in paragraph 6 above has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or opinion and/or data (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named in paragraph 6 above has any shareholding interests in our Group or any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, securities in any member of our Group.

8. Binding effect

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

9. Agency fees or commission received

The Underwriters will receive an underwriting commission as referred to in “Underwriting — Underwriting arrangements and expenses — Commission and expenses”.

10. Registration procedures

The register of members of our Company will be maintained in the Cayman Islands by Estera Trust (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our Hong Kong Branch Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

11. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries;

- (iv) no founders, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued; and
- (v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries.
- (b) Since 30 June 2016, being the date of our latest audited combined financial information were prepared, save as disclosed in “Summary — Recent developments and material adverse change”, there has been no material adverse change in the financial or trading position or prospects of our Group.
- (c) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.
- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) There are no arrangements in existence under which future dividends are to be or agreed to be waived.
- (f) Our Company has no outstanding convertible debt securities.

12. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). The English text of this prospectus shall prevail over the Chinese text.