

1. FURTHER INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES**A. Incorporation**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 2 April 2012.

The Company has established a place of business in Hong Kong at 5/F Yan Hing Centre, 9-13 Wong Chuk Yeung Street, Fotan, New Territories, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 31 July 2012. Mr. Ho Yiu Leung (何耀樑) has been appointed as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Cayman Islands, its operations are subject to the Companies Law and to its constitution comprising the Memorandum and Articles. A summary of certain provisions of the Articles and relevant aspects of the Companies Law is set out in Appendix IV to this Prospectus.

B. Changes in the share capital of the Company

- (a) The authorised share capital of the Company as at the date of its incorporation was HK\$380,000 divided into 3,800,000 Shares of HK\$0.10 each. Upon incorporation, one subscriber share was transferred by Mapcal Limited to World Empire.
- (b) On 16 April 2012, 3,799,999 Shares of HK\$0.10 each was issued and allotted to World Empire, which is owned as to 40%, 35% and 25% by Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) respectively.
- (c) Pursuant to the resolutions in writing of the sole Shareholder of the Company passed on 22 October 2012, the authorised share capital of the Company was increased from HK\$380,000 divided into 3,800,000 ordinary shares of HK\$0.10 each to HK\$50,000,000 divided into 500,000,000 ordinary shares of HK\$0.10 each.
- (d) On 22 October 2012, Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) transferred 40%, 35% and 25% shareholding in Casablanca Home Holdings to the Company, respectively, at the consideration satisfied at their request by the allotment and issue by the Company of 200,000 Shares to World Empire credited as fully paid up.
- (e) Immediately following completion of the Global Offering and the Capitalisation Issue but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued upon exercise of any option granted under the Share Option Schemes, the issued share capital of the Company will be HK\$20,000,000 divided into 200,000,000 Shares, all fully paid or credited as fully paid and 300,000,000 Shares will remain unissued.
- (f) Save as aforesaid and as mentioned in the paragraph headed “Resolutions in writing of the sole Shareholder of the Company passed on 22 October 2012,” there has been no alteration in the share capital of the Company since its incorporation.

C. Resolutions in writing of the sole Shareholder of the Company passed on 22 October 2012

Pursuant to the written resolutions passed by the sole Shareholder of the Company on 22 October 2012:

- (a) the Company conditionally adopted the Articles of Association to take effect on the Listing Date;
- (b) the authorised share capital of the Company was increased from HK\$380,000 to HK\$50,000,000 by the creation of an additional 496,200,000 Shares;
- (c) conditional on (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this Prospectus (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option); (ii) the execution and delivery of the agreement on the Offer Price between the Joint Bookrunners (for themselves and on behalf of the other Underwriters) and the Company on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
 - (i) the Global Offering was approved and the Directors were authorised to allot and issue the new Shares pursuant to the Global Offering;
 - (ii) the Over-allotment Option was approved and the Directors were authorised to effect the same and to allot and issue such number of Shares as may be allotted and issued upon the exercise of the Over-allotment Option;
 - (iii) conditional upon the share premium amount of the Company being credited as a result of the Global Offering, the Directors were authorised to capitalise the amount of HK\$14,600,000 standing to the credit of the share premium account of the Company to pay up in full at par 146,000,000 Shares for allotment and issue to the person(s) whose name(s) appears on the register of members of the Company at the close of business on the date of this Prospectus (or as the Directors may direct) pro-rata (as nearly as possible without involving fractions) to their then existing shareholdings in the Company, and the Shares to be allotted and issued shall rank pari passu in all respects with the existing issued Shares (the “Capitalisation Issue”) and the Directors were authorised to effect the same and to allot and issue Shares pursuant thereto;

- (d) a general unconditional mandate was granted to the Directors to allot, issue and deal with unissued Shares in the capital of the Company (otherwise than pursuant to (i) a rights issue; or (ii) the exercise of any of the subscription rights attaching to any options which may be granted under the Share Option Schemes; or (iii) any scrip dividend scheme or similar arrangement providing for allotment and issue of Shares in lieu of the whole or in part of any dividend in accordance with the Articles of Association; or (iv) the Global Offering; or (v) the Capitalisation Issue; or (vi) the exercise of the Over-allotment Option with an aggregate nominal amount not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of the Company in issue and to be issued under the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option; and (bb) the nominal amount of the share capital of the Company repurchased by the Company pursuant to the authority granted to the Directors as referred in paragraph (e) below, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first;
- (e) that a general unconditional mandate was given to the Directors to exercise all powers of the Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of the Company may be listed and recognised by the SFC and the Stock Exchange with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue and to be issued under the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by the Shareholders of the Company revoking or varying the authority given to the Directors, whichever occurs first;
- (f) that the general unconditional mandate as mentioned in sub-paragraph (d) above was extended by the addition to the aggregate nominal amount of the Shares which may be allotted, issued or dealt with by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the Shares in the capital of the Company repurchased by the Company pursuant to the mandate to repurchase shares referred to in sub-paragraph (e) above.

2. CORPORATE REORGANISATION

In preparation for the listing of the Shares on the Stock Exchange, the companies comprising the Group underwent the Reorganisation to rationalise the structure of the Group, the details of which are set out in the section “History, Reorganisation and Group Structure – Reorganisation” of this Prospectus.

3. CHANGES IN SHARE CAPITAL OF SUBSIDIARIES

The Company's subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this Prospectus. Save as the changes in share capital mentioned below, there were no changes in the share capital made by the subsidiaries of the Company during the two years preceding the date of this Prospectus:

- (a) On 28 December 2010, Casablanca International allotted and issued 2,900,000 shares to Smart Glory. Further, on the same date, each of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) declared that each of them held all the shares in Casablanca International on trust for the benefit of Smart Glory.
- (b) On 5 October 2010, Casablanca Home Holdings was incorporated and owned as to 40%, 35% and 25% by Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively.
- (c) On 27 September 2010, Smart Glory allotted and issued 40, 35 and 25 shares to Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively.
- (d) On 18 October 2010, each of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) transferred their entire shareholding in Smart Glory to Casablanca Home Holdings at par value.
- (e) On 15 June 2010, Alright Global allotted and issued 40, 35 and 25 shares to Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively.
- (f) On 18 October 2010, each of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) transferred their entire shareholding in Alright Global to Casablanca Home Holdings at par value.
- (g) On 15 June 2010, Super Smart allotted and issued 40, 35 and 25 shares to Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively.
- (h) On 18 October 2010, each of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) transferred their entire shareholding in Super Smart to Casablanca Home Holdings at par value.
- (i) On 15 June 2010, One Start allotted and issued 40, 35 and 25 shares to Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively.
- (j) On 18 October 2010, each of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) transferred their entire shareholding in One Start to Casablanca Home Holdings at par value.
- (k) On 22 June 2010, Casablanca Hong Kong was incorporated and wholly owned by Alright Global.
- (l) On 19 October 2010, Super Smart acquired the entire shareholding in Rich Creation from Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) at par value.

- (m) On 22 June 2010, Casablanca Home was incorporated in Hong Kong and wholly owned by One Start.
- (n) By a declaration of trust dated 15 June 2010, Casablanca International held the entire shareholding in Leading Empire on trust for the benefit of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) as to 40%, 35% and 25%, respectively.
- (o) On 21 December 2011, Casablanca International transferred the entire shareholding in Leading Empire to Casablanca Home at par value.
- (p) On 20 July 2010, Leading Empire acquired the entire shareholding in Leading Force at a consideration of HK\$1,000.
- (q) On 21 December 2011, Leading Empire acquired 40%, 35% and 25% shareholding in Jollirich at par value from Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively.
- (r) On 20 August 2010, Casablanca (Shenzhen) was established and wholly-owned by Casablanca Home.
- (s) On 29 July 2011, Casablanca E-Commerce was established and wholly-owned by Casablanca (Shenzhen).
- (t) On 6 April 2011, the registered capital of CCW Home Tex (Shenzhen) was increased from HK\$8,200,000 to HK\$20,000,000.
- (u) On 7 April 2011, Casablanca (Huizhou) was established and wholly-owned by Casablanca Home.
- (v) On 4 June 2012, the authorised share capital of Casablanca Home was increased from HK\$10,000 to HK\$1,000,000.
- (w) On 20 June 2012, Casablanca Home allotted and issued 999,900 shares to One Start at par value.
- (x) On 4 June 2012, the authorised share capital of Casablanca Hong Kong was increased from HK\$10,000 to HK\$1,000,000.
- (y) On 20 June 2012, Casablanca Hong Kong allotted and issued 999,900 shares to Alright Global at par value.
- (z) On 23 May 2012, the authorised share capital of Casablanca Home Holdings was increased from US\$50,000 to US\$4,500,000.
- (aa) On 20 June 2012, Casablanca Home Holdings allotted and issued 1,691,960, 1,480,465 and 1,057,475 shares to each of Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅), respectively at par value.

Save for the subsidiaries mentioned in Appendix I to this Prospectus, the Company has no other subsidiaries.

4. FURTHER INFORMATION ABOUT THE GROUP'S ENTERPRISES IN THE PRC

The Group has interests in 5 PRC subsidiaries. Set out below is a summary of the corporate information of these PRC subsidiaries:

(1) Forcetek (Shenzhen) Company Limited* (科思特家居用品(深圳)有限公司)

Date of Establishment:	23 July 2003
Nature:	Limited liability company (wholly foreign owned enterprise)
Legal Representative:	Mr. Cheng Sze Kin (鄭斯堅)
Registered Capital:	HK\$10,200,000
Shareholders:	Jollirich (88.24%) Leading Force (11.76%)
Business Scope:	Production and operation of fabric decorations, bedding, electric beds, wooden furniture, mattresses, clothing

(2) CCW Home Tex (Shenzhen) Company Limited* (創想家居用品(深圳)有限公司)

Date of Establishment:	25 April 2007
Nature:	Limited liability company (wholly-owned by legal person(s) in Taiwan, Hong Kong and Macau)
Legal Representative:	Mr. Cheng Sze Kin (鄭斯堅)
Registered Capital:	HK\$20,000,000
Shareholder:	Rich Creation (100%)
Business Scope:	Retail, wholesale, import and export of bedding, clothing, household goods and the related supporting businesses; and engagement in commercial activities in the form of franchising

(3) Casablanca Home (Shenzhen) Limited* (卡撒天嬌家居用品(深圳)有限公司)

Date of Establishment:	20 August 2010
Nature:	Limited liability company (wholly-owned by legal person(s) in Taiwan, Hong Kong and Macau)
Legal Representative:	Mr. Cheng Sze Kin (鄭斯堅)
Registered Capital:	HK\$10,000,000
Shareholder:	Casablanca Home (100%)
Business Scope:	Retail, wholesale, import and export of bedding, clothing, household goods and the related supporting businesses (except the commodities subject to the State-operated trade management, for other commodities subject to quota, permit management and other special regulations, shall make application in accordance with the relevant regulations of the State), as well as engagement in business activities by way of franchise

(4) Shenzhen Casablanca E-Commerce Company Limited* (深圳市卡撒天嬌家居用品電子商務有限公司)

Date of Establishment:	29 July 2011
Nature:	Limited liability company (wholly-owned by legal person(s) in PRC)
Legal Representative:	Mr. Cheng Sze Kin (鄭斯堅)
Registered Capital:	RMB500,000
Shareholder:	Casablanca (Shenzhen) (100%)
Business Scope:	Operation of e-commerce, engagement in information consultancy of household goods over the internet and sale of bedding, clothing, household goods

(5) Casablanca Home (Huizhou) Company Limited* (卡撒天嬌家居(惠州)有限公司)

Date of Establishment:	7 April 2011
Nature:	Limited liability company (wholly-owned by legal person(s) in Taiwan, Hong Kong and Macau)
Legal Representative:	Mr. Cheng Sze Kin (鄭斯堅)
Registered Capital:	HK\$35,000,000
Shareholder:	Casablanca Home (100%)
Business Scope:	Production, sale, wholesale, import and export of various types of clothing, household goods, bedding and the sale of related accessories and products on the domestic and overseas markets

5. REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

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

(a) Shareholders' approval

The Listing Rules provide that all on-market repurchases of securities by a company with its listing on the Stock Exchange must be approved in advance by an ordinary resolution of the Shareholders in general meeting, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchases.

Note: Pursuant to the resolutions in writing passed by our sole Shareholder on 22 October 2012, a general unconditional mandate (the "Repurchase Mandate") was given to our Directors authorising them to exercise all powers of the Company to repurchase our Shares on the Stock Exchange or on any other stock exchange on which our Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of not more than 10% of the aggregate nominal amount of the share capital of the Company in issue and to be issued immediately following the completion of the Global Offering and the Capitalisation Issue (but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options granted under the Share Option Schemes), such mandate to expire at the conclusion of the next annual general meeting of the Company, the date by which the next annual general meeting of the Company is required by any applicable law or the articles of association of the Company to be held, or the passing of an ordinary resolution by our Shareholders in a general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(b) Connected parties

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a connected person (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her securities to the company. No connected persons (as defined in the Listing Rules) of the Company have notified us of intention to sell securities to the Company and such persons have undertaken not to sell any such securities to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

(c) Exercise of Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of 200,000,000 Shares in issue immediately after the completion of the Global Offering and the Capitalisation Issue (assuming that the Over-allocation Option is not exercised and not taking into account any options granted under the Share Option Schemes), could accordingly result in up to 20,000,000 Shares which are fully paid, being repurchased by the Company during the period until (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law to be held; or (iii) the date on which the Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first.

(d) Reasons for repurchases

Our Directors believe that it is in the best interests of the Company and the Shareholders for our Directors to have a general authority from our Shareholders to enable our Directors to repurchase securities on the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share and will only be made when our Directors believe that such repurchases will benefit the Company and the Shareholders.

(e) Funding of repurchases

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

(f) Impact of repurchases

There may be a material adverse impact on the working capital or gearing position of the 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 of the Company or its gearing levels which in the opinion of our Directors are from time to time appropriate for the Company.

(g) Share repurchases made by the Company

No repurchase of Shares has been made by the Company since its incorporation.

(h) General

None of our Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their respective associates, has any present intention, in the event that the repurchase mandate is granted by the Shareholders, to sell any Shares to the Company or its subsidiaries. Our Directors have undertaken to the Stock Exchange to exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate only in accordance with the Listing Rules, Memorandum and Articles of Association of the Company and applicable laws and regulations of the Cayman Islands.

(i) Takeovers Code

If as a result of a repurchase of Shares, a Shareholders' proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose 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 interest of the Shareholder(s), could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

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 of the Shares.

6. FURTHER INFORMATION ABOUT THE BUSINESS

A. Summary of material contracts

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

- (a) a share swap agreement dated 22 October 2012 entered into among Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦), Ms. Wong Pik Hung (王碧紅), Casablanca Home Holdings and the Company, pursuant to which Mr. Cheng Sze Kin (鄭斯堅), Mr. Cheng Sze Tsan (鄭斯燦) and Ms. Wong Pik Hung (王碧紅) transferred 1,692,000 shares, 1,480,500 shares and 1,057,500 shares in Casablanca Home Holdings to the Company, respectively, at the consideration satisfied by the allotment and issue by the Company of 200,000 Shares to World Empire as fully paid up;
- (b) a deed of non-competition dated 22 October 2012 executed by the Controlling Shareholders in favour of the Company, pursuant to which each of them has given certain non-competition undertakings by way of a deed, as referred to in the paragraph headed “Relationship with Controlling Shareholders – Non-competition undertakings” of this Prospectus;
- (c) a deed of indemnity dated 22 October 2012, executed by the Controlling Shareholders in favour of the Company (for itself and as trustee for each of its subsidiaries) containing indemnities in respect of certain tax liabilities and claims which may arise by way of a deed, as referred to in the sub-paragraph headed “Indemnities and tax liabilities” under the paragraph headed “Other Information” of this appendix;
- (d) an agreement for the sale and purchase of the entire issued share capital in Wealth Pine dated 26 April 2012 entered into among Smart Blossom Limited as the purchaser and Leading Asset and Casablanca International as vendors pursuant to which Leading Asset and Casablanca International agreed to transfer the entire issued share capital of Wealth Pine to Smart Blossom Limited for a consideration of HK\$1,600,000;
- (e) a 國有建設用地使用權出讓合同 (state-owned construction land use rights transfer contract*) dated 5 July 2011 entered into between 惠州市國土資源局仲愷高新技術產業開發區分局 (Huizhou City Bureau of Land and Resources, Huizhou Zhongkai High Technology Industrial Development Zone branch*) and Casablanca (Huizhou), pursuant to which Casablanca (Huizhou) was granted the right to use a piece of land in Huizhou with 86,691 square metres for 50 years for a consideration of RMB23,470,000;





- (f) a 建設工程施工合同協議書、通用條款及專用條款 (construction project contract agreement, general conditions and special conditions*) dated 25 November 2011 entered into among Casablanca (Huizhou) and 惠州市世紀建築工程有限公司 (Huizhou City Shi Ji Construction Engineering Co. Ltd.*), pursuant to which Casablanca (Huizhou) engaged 惠州市世紀建築工程有限公司 (Huizhou City Shi Ji Construction Engineering Co. Ltd.*) as a contractor to oversee the construction of the Huizhou Production Facility for a consideration of RMB43,011,169.30;
- (g) a 預製鋼結構廠房材料定製、供應和安裝合同 (prefabricated steel plant materials customisation, supply and installation contract*) dated 7 November 2011 entered into among Casablanca (Huizhou), 博思格建築鋼結構(廣州)有限公司 (Bo Si Ge Construction Steel Structure (Guangzhou) Co. Ltd.*) and 上海華凌建築工程有限公司 (Shanghai Hua Ling Construction Project Co. Ltd.*) pursuant to which 博思格建築鋼結構(廣州)有限公司 (Bo Si Ge Construction Steel Structure (Guangzhou) Co. Ltd.*) agreed to design and supply the prefabricated steel plant materials for the Huizhou Production Facility for a consideration of RMB17,100,000 and 上海華凌建築工程有限公司 (Shanghai Hua Ling Construction Project Co. Ltd.*) agreed to provide the relevant installation service for a service fee of RMB3,900,000;
- (h) a 施工合同協議書、通用條款及專用條款 (construction contract agreement, general conditions and special conditions*) dated 30 June 2012 entered into between 大元建業集團股份有限公司惠州分公司 (Da Yuan Jian Ye Group Co. Ltd. (Huizhou branch)*) and Casablanca (Huizhou), pursuant to which Casablanca (Huizhou) engaged 大元建業集團股份有限公司惠州分公司 (Da Yuan Jian Ye Group Co. Ltd. (Huizhou branch)*) as a contractor to execute the renovation work of the Huizhou Production Facility for a consideration of RMB2,686,208.66; and
- (i) the Hong Kong Underwriting Agreement, the principal terms of which are summarised in the paragraphs headed “(a) Hong Kong Underwriting Agreement” under the section headed “Underwriting” in this Prospectus.

* for illustration purpose only

B. Intellectual property rights of the Group

(a) Registered Trademarks owned by the Group

As at the Latest Practicable Date, the Group owned the following registered trademarks which our Directors consider are material to our business:

Trademark	Place of registration	Class	Registration/ Application number	Registration Date	Expiry Date
<i>(Note)</i>					
	Hong Kong	18, 25	300421857	18 May 2005	18 May 2015
	Hong Kong	20, 24	301372536	26 June 2009	26 June 2019
					
Casa Calvin®	Hong Kong	24	199611558	19 October 1995	19 October 2016
	Hong Kong	6, 20, 24	300038204	25 June 2003	25 June 2013
卡撒天嬌	PRC	24	1561026	28 April 2001	27 April 2021

Trademark	Place of registration	Class	Registration number	Registration Date	Expiry Date
<i>(Note)</i>					
	PRC	24	1152822	21 February 2008	20 February 2018
卡撒天嬌	PRC	20	5455216	21 December 2009	20 December 2019
Casa Calvin	PRC	24	1293228	14 July 2009	13 July 2019
卡撒·珂芬	PRC	20	6598202	28 March 2010	27 March 2020
卡撒·珂芬	PRC	24	5455221	14 August 2009	13 August 2019
科思哲	PRC	20	5455215	14 August 2009	13 August 2019
	PRC	20	3589167	28 April 2006	27 April 2016
	Germany	6, 20, 24	30316068	26 March 2003	31 March 2013

Note:

Class 6: Common metals and their alloys; metal building materials; transportable buildings of metal; materials of metal for railway tracks; non-electric cables and wires of common metal; ironmongery, small items of metal hardware; pipes and tubes of metal; safes; goods of common metal not included in other classes; ores.

Class 18: Umbrellas.

Class 20: Furniture, mirrors, picture frames; goods (not included in other classes) of wood, cork, reed, cane, wicker, horn, bone, ivory, whalebone, shell, amber, mother-of-pearl, meerschaum and substitutes for all these materials, or of plastics.

Class 24: Textiles and textile goods, not included in other classes; bed covers; table covers.

Class 25: Sleepwear.

(b) Trademarks owned by the Group pending registration

As at the Latest Practicable Date, the Group had applied for the registration of the following trademarks which our Directors consider are material to the Group's business:

<u>Trademark</u>	<u>Place of registration</u>	<u>Class</u>	<u>Application number</u>	<u>Application Date</u>
Casa Calvin	PRC	20	6598198	27 March 2008

(c) Licensed trademarks, intellectual property, etc.

The Group has been granted licences to use the following trademarks, logos, brands or other intellectual property which our Directors consider are material to our Group's business:

- (i) Pursuant to the trademark licence contract entered into between CCW Home Tex (Shenzhen) and Hachette Filipacchi Presse, S.A. dated 1 January 2012, CCW Home Tex (Shenzhen) has been granted the non-exclusive licence to use the trademark "ELLE Deco" under classes 24 and 27 in the PRC from 1 January 2012 to 31 March 2017;
- (ii) Pursuant to the amended and restated licence agreement dated 16 December 2011, Casablanca Hong Kong has been granted a non-exclusive licence to use the trademark "ELLE Deco" under classes 20 and 24 by Hachette Filipacchi Presse, S.A. in Hong Kong and Macau and an exclusive right in Hong Kong and Macau to distribute bedding products and home accessories under the Elle Deco brand from 31 December 2011 to 31 December 2016;

- (iii) Pursuant to a licence agreement dated 1 March 2012 between Casablanca Hong Kong and The Walt Disney Company (Asia Pacific) Limited, Casablanca Hong Kong was granted a non-exclusive licence to use depictions of designated characters from the following properties: Cars, Cars 2, Classic Pooh, Monsters Inc. and Monsters University to design, manufacture and sell a range of home furnishing and infant home furnishing products in Hong Kong and Macau from 1 March 2012 to 28 February 2014;
- (iv) Pursuant to the merchandising licence agreement entered into between Casablanca Hong Kong and Medialink Animation International Limited on 29 July 2010, Casablanca Hong Kong has been granted a non-exclusive licence to use the name, logo, symbol, trademarks, copyrights, likeness, depictions and photographs of characters from MOOMIN for fitted sheet set, quilt cover, intelligent quilt, pillow case, cushion, intelligent set and blankets until 31 January 2013;
- (v) Pursuant to the merchandise licence agreement entered into between Casablanca Hong Kong and Guangzhou Art-land Human Being Communication Co Ltd on 10 February 2010 which was amended on 25 May 2011, Casablanca Hong Kong has been granted a non-exclusive licence to use the trademarks, logos and symbols “SpongeBob SquarePants” for fitted sheet set, pillow case, quilt cover, baby set, baby quilt, blanket, quilting in Hong Kong and Macau from 1 August 2010 to 31 December 2012;
- (vi) Pursuant to the licensing agreement dated 1 November 2010, Casablanca Hong Kong has been granted a non-exclusive licence by Medialink (Far East) Limited to use GARFIELD to produce and distribute fitted and flat sheet sets, quilt covers, pillow cases, quilting, intelligent bedding sets, cushions, baby sets, blankets within the territories of Hong Kong and Macau via department stores, retail shops, road show and online channel from 1 November 2010 to 31 May 2013;
- (vii) Pursuant to an international merchandising licensing agreement dated 9 April 2012, Casablanca Hong Kong has been granted an exclusive licence by ENS Global Marketing Limited to use the names, characters, symbols, designs, likeness and visual representation of characters entitled “B. Duck” for certain bedding products from 1 June 2012 to 31 May 2014; and
- (viii) Pursuant to a licensing agreement dated 9 October 2012, Casablanca Hong Kong has been granted a non-exclusive licence by Centa-Star GmbH to produce bedding and bed linen products under the brand name/label “Centa-Star” from 9 October 2012 to 31 December 2016.

(d) Patent

As at the Latest Practicable Date, the Group had been the registered owner of the following patents which our Directors consider are material to the Group's business:

<u>Patent name</u>	<u>Place of Registration</u>	<u>Registrant</u>	<u>Certificate No.</u>	<u>Validity Period</u>	<u>Type</u>
a type of duvet with warmth preservation (一種組合型保暖被)	PRC	CCW Home Tex (Shenzhen)	ZL 2007 2 0120993.1	26/6/2007 to 25/6/2017	Utility Model
a type of duvet (一種被子)	PRC	Forcotech (Shenzhen)	ZL 2006 2 0017486.0	20/6/2006 to 19/6/2016	Utility Model

(e) Domain Name

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

<u>Domain names</u>	<u>Registered owner</u>	<u>Date of registration</u>	<u>Expiry Date</u>
www.casablanca.com.hk	Casablanca International	13 August 1999	N/A
www.casablanca-home.com	Casablanca International	2 February 2007	6 February 2015

7. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Directors

(a) *Disclosure of interests – interests and short positions of our and our chief executive in the Shares, underlying Shares and debentures of the Company and its associated corporations*

Immediately following completion of the Global Offering and the Capitalisation Issue and assuming the Over-allotment Option is not exercised, the interests or short positions of our Directors or our chief executive in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered into the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 of the Listing Rules, to be notified to us and the Stock Exchange, once the Shares are listed are as follows:

Name of Directors and chief executive	Nature of interests in the Shares	Interest in underlying Shares	Approximate percentage of shareholding
Mr. Cheng Sze Kin (鄭斯堅) (note 1)	Interest in a controlled corporation	150,000,000	75%
	Beneficial interest	4,500,000	2.25%
	Spouse interest	3,375,000	1.69%
Mr. Cheng Sze Tsan (鄭斯燦) (note 2)	Interest in a controlled corporation	150,000,000	75%
	Beneficial interest	4,125,000	2.06%
Ms. Wong Pik Hung (王碧紅) (note 3)	Spouse interest	154,500,000	77.25%
	Beneficial interest	3,375,000	1.69%
Mr. Sung Shuk Ka (宋叔家) (note 4)	Beneficial Interest	2,000,000	1.00%

Notes:

- (1) Mr. Cheng Sze Kin (鄭斯堅) is interested in 40% of World Empire, which will in turn be interested in 75% of the Company's issued share capital upon Listing. Therefore, Mr. Cheng Sze Kin (鄭斯堅) will, upon Listing, be deemed to be interested in such 75% of the Company's issued share capital, by virtue of Mr. Cheng Sze Kin (鄭斯堅)'s interests in World Empire. Mr. Cheng Sze Kin (鄭斯堅) is also interested in the options granted under the Pre-IPO Share Option Scheme to subscribe 4,500,000 Shares and is deemed to be interested in the options granted to his spouse Ms. Wong Pik Hung (王碧紅) under the Pre-IPO Share Option Scheme to subscribe 3,375,000 Shares. However, each of Mr. Cheng Sze Kin (鄭斯堅) and Ms. Wong Pik Hung (王碧紅) will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.
- (2) Mr. Cheng Sze Tsan (鄭斯燦) is interested in 35% of World Empire, which will in turn be interested in 75% the Company's issued share capital upon Listing. Therefore, Mr. Cheng Sze Tsan (鄭斯燦) will, upon Listing, be deemed to be interested in such 75% of the Company's issued share capital, by virtue of Mr. Cheng Sze Tsan (鄭斯燦)'s interests in World Empire. Mr. Cheng Sze Tsan (鄭斯燦) is also interested in the options granted under the Pre-IPO Share Option Scheme to subscribe 4,125,000 Shares. However, Mr. Cheng Sze Tsan (鄭斯燦) will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.
- (3) Ms. Wong Pik Hung (王碧紅) is the spouse of Mr. Cheng Sze Kin (鄭斯堅) and is interested in 25% of World Empire, thus, Ms. Wong Pik Hung (王碧紅) will be deemed to be interested in 75% of the Company's issued share capital upon Listing. Ms. Wong Pik Hung (王碧紅) is also interested in the options granted under the Pre-IPO Share Option Scheme to subscribe 3,375,000 Shares and is deemed to be interested in the options granted to her spouse Mr. Cheng Sze Kin (鄭斯堅) under the Pre-IPO Share Option Scheme to subscribe 4,500,000 Shares. However, each of Mr. Cheng Sze Kin (鄭斯堅) and Ms. Wong Pik Hung (王碧紅) will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.
- (4) Mr. Sung Shuk Ka (宋叔家) is interested in the options granted under the Pre-IPO Share Option Scheme to subscribe 2,000,000 Shares.

Save as disclosed above, we are not aware of any Directors or chief executive of the Company who will, immediately following the Global Offering and the Capitalisation Issue, have interests or short positions in Shares or underlying Shares which fall to be disclosed to us under the provisions of Divisions 7 and 8 of Part XV of the SFO.

(b) Particulars of service agreements

Each of our executive Directors has entered into a service agreement with the Company for a term of 3 years commencing from the date of listing, which may be terminated by not less than 3 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 the Company for a term of 3 year commencing from the Listing Date, which may be terminated by no less than 3 months' notice in writing served by either party on the other.

(c) Directors' remuneration

Each of the executive Directors is entitled to a director's fee. Each executive Director shall be paid the salary on the basis of 13 months in a year. In addition, each of the executive Directors is also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company may not exceed 10% of the audited combined or consolidated net profit of the Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of the Company. An executive Director may not vote on any resolution of the Directors regarding the amount of the bonus payable to him. With effect from the Listing Date, the annual remuneration of the executive Directors (comprising fees, salaries, allowances and other benefits, contributions to pension schemes and other allowances and benefits in kind, but excluding discretionary bonuses) are as follows:

Name	Annual Directors' Remuneration <u>(HK\$)</u>
Mr. Cheng Sze Kin (鄭斯堅)	2,260,000
Mr. Cheng Sze Tsan (鄭斯燦)	2,500,000
Ms. Wong Pik Hung (王碧紅)	2,260,000
Mr. Sung Shuk Ka (宋叔家)	1,365,000

The independent non-executive Directors have been appointed for a term of three years. The Company intends to pay an amount of approximately HK\$156,000 per annum (including the director's fees) to each independent non-executive Directors as remuneration. Under the arrangement currently in force, the aggregate amount of emoluments payable by the Group to the Directors for the year ending 31 December 2012 will be approximately HK\$7,087,000. Further details of the terms of the above service agreements are set out in the paragraph headed "Particulars of service agreements" in the subsection entitled "Directors" in this Appendix.

B. Substantial Shareholders

Save as disclosed herein and in the subsection entitled “(a) Disclosure of interest – interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations” as above, immediately following completion of the Global Offering (assuming the Over-allotment Option is not exercised at all) and the Capitalisation Issue, without taking into account the Offer Shares that may be taken up under the Global Offering, our Directors are not aware of any person, not being Directors or a chief executive of the Company, will have interests or short positions in Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who are, 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 other member of the Group (other than the Company):

<u>Name</u>	<u>Capacity/ Nature of interest</u>	<u>Number of Shares directly or indirectly held immediately following completion of the Global Offering</u>	<u>Approximate percentage of issued Share immediately following completion of the Global Offering</u>
World Empire	Beneficial interest	150,000,000	75%

C. Personal guarantees

None of our Directors has provided any personal guarantee in favour of any banks for banking facilities granted to any member of the Group which will remain effective after the Listing.

8. PRE-IPO SHARE OPTION SCHEME

A. Summary of Terms

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme which was adopted by the sole Shareholder's resolutions dated 22 October 2012.

(a) Purpose

The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that the Eligible Participants (as defined in (b) below) have or may have made to the Company. The Pre-IPO Share Option Scheme will provide the Eligible Participants with an opportunity to have a personal stake in the Company with a view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimise their performance efficiency for the benefit of the Company; and
- (ii) track and retain or otherwise maintain relationships with the Eligible Participants (as defined in paragraph (b) below) whose contributions are or will be beneficial to the long-term growth of the Company.

(b) Who may join

The eligible participants (collectively the "Eligible Participants") under the Pre-IPO Share Option Scheme include the following:

- (i) full-time employees, executives or officers (including Directors) of the Group;
- (ii) full-time employees, manager or above of any of the Company's subsidiaries;
- (iii) any suppliers, customers, consultants, agents, advisors that have contributed or will contribute to the Group; and
- (iv) any related entities who, in the sole opinion of the Board, have contributed or will contribute to the Group.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting the acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

(c) Maximum number of Shares

The total number of Shares subject to the Pre-IPO Share Option Scheme is 22,320,000 Shares, representing approximately 11.16% of the issued share capital of the Company immediately upon completion of the Global Offering and the Capitalisation Issue assuming the Over-allotment Option is not exercised, but excluding any Shares which may fall to be issued upon the exercise of the options granted or to be granted under the Pre-IPO Share Option Scheme or the other schemes.

(d) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Pre-IPO Share Option Scheme shall be a price representing 20% discount to the Offer Price.

(e) Rights are personal to grantee

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Pre-IPO Share Option Scheme may be registered).

(f) Time of exercise of Option and duration of the Pre-IPO Share Option Scheme

The grantees to whom an option has been granted under the Pre-IPO Share Option Scheme will be entitled to exercise (i) the first 40% of his/her option from the first day immediately after six months from the Listing Date up to the expiry date; (ii) the second 30% of his/her option from the first anniversary of the Listing Date up to the expiry date; and (iii) the remaining 30% of his/her option from the second anniversary of the Listing Date up to the expiry date. An Eligible Participant to whom any option is granted is not required to achieve any performance target before any exercise of his/her option.

The Pre-IPO Share Option Scheme will expire on the Listing Date.

The Options granted under the Pre-IPO Share Option Scheme are not transferable and options not exercised within the exercise period will lapse and cease to be of further effect.

(g) Ranking of Shares

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects with and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of allotment.

(h) Effect of alterations to capital

In the event of capitalisation issue, rights issue, open offer (if there is a price-dilutive element), consolidation, subdivision or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option and/or the method of exercise of the option as the auditors of the Company or an independent financial advisor shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to pre-IPO share option schemes (the “Supplemental Guidance”). Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the Supplementary Guidance for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. No adjustments shall be made to the exercise price or the number of Shares to the benefit of any Eligible Participant without the approval by ordinary resolution of the Shareholders of the Company. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(i) Expiry of option

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

- (i) the expiry of the respective stated exercise period in the Pre-IPO Share Option Scheme;
- (ii) the date of expiry of the option as may be determined by the Board;
- (iii) the date of commencement of the winding-up of the Company in accordance with the Companies Law;
- (iv) the date on which the grantee ceases to be an Eligible Participant for any reason. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (v) the date on which the Board shall exercise the Company’s right to cancel the option in accordance with paragraph (1) below.

(j) Alteration of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that any material alteration to the terms and conditions of the Pre-IPO Share Option Scheme or any change to the terms of options granted, which shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Pre-IPO Share Option Scheme.

(k) Cancellation of Options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing.

(l) Termination of the Pre-IPO Share Option Scheme

We may by resolution in general meeting or the Board at any time terminate the Pre-IPO Share Option Scheme and in such event no further option shall be offered but the provisions of the Pre-IPO Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme.

Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Pre-IPO Share Option Scheme.

(m) Administration of the Board

The Pre-IPO Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Pre-IPO Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(n) Disclosure in annual and interim reports

We will disclose details of the Pre-IPO Share Option Scheme in our annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time. Our Directors confirm that they will not exercise any options granted under the Pre-IPO Share Option Scheme if as a result of the conversion the Company would not be able to comply with the minimum public float requirement of the Listing Rules.

B. Outstanding Options

As at the date of this Prospectus, options to subscribe for an aggregate of 22,320,000 Shares at an exercise price representing 20% discount to the Offer Price have been conditionally granted by the Company under the Pre-IPO Share Option Scheme. A total of 69 Eligible Participants have been granted options under the Pre-IPO Share Option Scheme.

Below is a list of the Directors who are grantees under the Pre-IPO Share Option Scheme:

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion of the Global Offering and the Capitalisation Issue</u>
Mr. Cheng Sze Kin (鄭斯堅)	No. 29, Kensington Path, The Royal Oaks, 8 Kam Tsin South Road, Sheung Shui, New Territories, Hong Kong	4,500,000	2.25%
Mr. Cheng Sze Tsan (鄭斯燦)	House 90, Constellation Cove, 1 Hung Lam Drive, Tai Po, New Territories, Hong Kong	4,125,000	2.06%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion of the Global Offering and the Capitalisation Issue</u>
Ms. Wong Pik Hung (王碧紅)	No. 29, Kensington Path, The Royal Oaks, 8 Kam Tsin South Road, Sheung Shui, New Territories, Hong Kong	3,375,000	1.69%
Mr. Sung Shuk Ka (宋叔家)	Flat 502, Block 1, Heng Fa Chuen, 100 Shing Tai Road, Chai Wan, Hong Kong	2,000,000	1.00%
Subtotal		14,000,000	

Below is a list of senior management who are grantees under the Pre-IPO Share Option Scheme:

Grantee	Address	Number of Shares under the options granted	Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue
Mr. Wang Yi Gong (王貽功)	Room 908, Block 2, Xiliruncheng Huayuan, Nanshan District, Shenzhen, Guangdong Province, PRC	700,000	0.35%
Mr. Gao Yan (高岩)	Apartment 272, Jinhu Shanzhuang, Luohu District, Shenzhen, Guangdong Province, PRC	600,000	0.30%
Mr. Lin Yi Kai (林奕凱)	Room 0604, Block 23, Hudielan Street, Guangzhou, Guangdong Province, PRC	700,000	0.35%
Ms. Zheng Yu Mei (鄭玉梅)	Block 88, Longwangmiao Industrial Zone, Baishisha Village, Fuyong Town, Baoan District, Shenzhen, Guangdong Province, PRC	400,000	0.20%
Mr. Ho Yiu Leung (何耀樑)	Room C, 21/F, Nelly Heights, Belair Garden, Shatin, New Territories, Hong Kong	400,000	0.20%
Subtotal		2,800,000	

Below is a list of the connected persons who are grantees under the Pre-IPO Share Option Scheme:

Grantee	Address	Number of Shares under the options granted	Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue
Mr. Zheng Zhuo Hao (鄭卓豪) (<i>Note 1</i>)	Flat 8-2B, Xinyazhou Garden, Longgangqu Zhongxincheng, Shenzhen, Guangdong Province, PRC	120,000	0.06%
Ms. Cheng Shuk Hei (鄭淑希) (<i>Note 2</i>)	1E, G/F Sha Kok Mei Village, Sai Kung, New Territories, Hong Kong	300,000	0.15%
Mr. Zheng Jia Jie (鄭加杰) (<i>Note 3</i>)	Number 2, Dongsan Hengxiang, Meixilong Xiadaxiang Jinpu Road, Chaoyang District, Shantou City, Guangdong Province, PRC	120,000	0.06%
Mr. Qiu Qing Hai (邱清海) (<i>Note 4</i>)	No. 527, Qian Bao Li, Xiang'an District, Xiamen, Fujian Province, PRC	80,000	0.04%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Mr. Zheng Han Shun (鄭漢順) (Note 5)	Number 2, Dongsan Hengxiang, Meixilong Xiadaxiang Jinpu Road, Chaoyang District, Shantou City, Guangdong Province, PRC	60,000	0.03%
Ms. Zheng Jia Ni (鄭加妮) (Note 6)	Number 2, Dongsan Hengxiang, Meixilong Xiadaxiang Jinpu Road, Chaoyang District, Shantou City, Guangdong Province, PRC	80,000	0.04%
Subtotal		760,000	

Note 1: Zheng Zhuo Hao (鄭卓豪) is one of the Connected Distributors, who is also a brother-in-law of Mr. Cheng Sze Tsan (鄭斯燦), a Director, and therefore a connected person of the Company.

Note 2: Cheng Shuk Hei (鄭淑希) is an employee of the Group, who is also a sister of Mr. Cheng Sze Kin (鄭斯堅) and Mr. Cheng Sze Tsan (鄭斯燦), who are Directors, and therefore a connected person of the Company.

Note 3: Zheng Jia Jie (鄭加杰) is an employee of the Group, who is also a nephew of Mr. Cheng Sze Kin (鄭斯堅) and Mr. Cheng Sze Tsan (鄭斯燦), who are Directors, and therefore a connected person of the Company.

Note 4: Qiu Qing Hai (邱清海) is an employee of the Group, who is also an uncle of Ms. Wong Pik Hung (王碧紅), a Director, and therefore a connected person of the Company.

Note 5: Zheng Han Shun (鄭漢順) is an employee of the Group, who is also a brother-in-law of Mr. Cheng Sze Kin (鄭斯堅) and Mr. Cheng Sze Tsan (鄭斯燦), who are Directors, and therefore a connected person of the Company.

Note 6: Zheng Jia Ni (鄭加妮) is an employee of the Group, who is also a niece of Mr. Cheng Sze Kin (鄭斯堅) and Mr. Cheng Sze Tsan (鄭斯燦), who are Directors, and therefore a connected person of the Company.

Below is a list of other persons who are grantees under the Pre-IPO Share Option Scheme:

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Mr. Chow On Wa (周安華) (Note 1)	No. 14, Lane 500 Xingle Rd, Shanghai	320,000	0.16%
Ms. Ma Mei Yee (馬美儀) (Note 2)	No. 144, 1/F, Blk 16, San Uk Ka, Sunlight Garden, Tai Po, New Territories, Hong Kong	320,000	0.16%
Ms. Kwok Lai Ha (郭麗霞) (Note 2)	Room 3007, Choi Yuet House, Choi Ha Estate, Ngau Tau Kok, Kowloon, Hong Kong	120,000	0.06%
Ms. Tam Lai Shan (譚麗珊) (Note 2)	Flat 2602, 26/F, Blk M, Luk Yeung Sun Chuen, Tsuen Wan, New Territories, Hong Kong	120,000	0.06%
Ms. Chan Po Yuk (陳寶玉) (Note 2)	Flat 2901, Blk 6, Heng Lok House, Area 110, Ph 4, Tin Heng Estate, Tin Shui Wai, New Territories, Hong Kong	120,000	0.06%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Lam Sau Ying (林秀英) (<i>Note 2</i>)	Flat A3, 7/F, San Po Kong Mansion, 110 Choi Hung Road, San Po Kong, Kowloon, Hong Kong	160,000	0.08%
Ms. Lam May Lin Janet (林美蓮) (<i>Note 2</i>)	Flat 7, 27/F, Blk B, Golden Mascot Court, Golden Lion Garden, Stage II, 1-3 Kak Tin St., Shatin, New Territories, Hong Kong	120,000	0.06%
Ms. Wong Chor Man Ada (黃楚雯) (<i>Note 2</i>)	Flat 28, 32/F, Ming Shun Lau, Jat Min Estate, Shatin, New Territories, Hong Kong	300,000	0.15%
Mr. Lau Hing Man (劉興文) (<i>Note 2</i>)	Flat C, 8/F, Wah Shun Court, 2 Wah Yuen Drive, Kwai Chung, New Territories, Hong Kong	160,000	0.08%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Lam Hau Hung (林巧紅) (Note 2)	Flat H, 49/F, Tower 3, Rambler Crest, Tsing Yi, New Territories, Hong Kong	80,000	0.04%
Mr. Li Jian Lin (李建林) (Note 2)	Rm 302, Unit 1, Building 7, Taoyuanjuyiqu, 2 Qianjin Road, Baoan District, Shenzhen, Guangdong Province	120,000	0.06%
Mr. Bai Hai Jun (白海軍) (Note 2)	3C, Building 13, Hanling Garden, Caitianbei Road, Futian District, Shenzhen, Guangdong Province	200,000	0.10%
Ms. Chen Shui Chun (陳水春) (Note 2)	504, Building 24, Jindihaijing Gardens, Futian District, Shenzhen, Guangdong Province	40,000	0.02%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Li Li Hua (李麗華) (Note 2)	1501 Building A, Xingheshiji Building, 3069 Caitian Road, Futian District, Shenzhen, Guangdong Province	40,000	0.02%
Mr. Yao Cheng (姚程) (Note 2)	2 Tongan Road, Kaiyuan District, Xiamen City, Fujian Province	80,000	0.04%
Mr. Liu Tao (劉濤) (Note 2)	42, Xiaomiao Village Liuzu, Jiuzhen Town, Tianmen City, Hubei Province	40,000	0.02%
Mr. Zhao Xiang Kui (趙向奎) (Note 2)	123, Bali Village Sizu, Talagaoxiang, Shuangta District, Chaoyang City, Liaoning Province	40,000	0.02%
Ms. Pang Ye Yan (龐業豔) (Note 2)	1501, Building A, Xingheshiji Building, 3069 Caitian Road, Futian District, Shenzhen, Guangdong Province	40,000	0.02%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Huang Qiao Mei (黃巧梅) (Note 2)	1501, Building A, Xingheshiji Building, 3069 Caitian Road, Futian District, Shenzhen, Guangdong Province	40,000	0.02%
Ms. Bi Mei Juan (畢美娟) (Note 2)	302, Building 26, Dongyi Village, Dongcunshe District, Jianshan Town, Gaoan City, Jiangxi Province	40,000	0.02%
Ms. Shi Li Juan (石麗娟) (Note 2)	Rencai Dashichang Building, Baoan North Road, Luohu District, Shenzhen, Guangdong Province	12,000	0.01%
Ms. Wang Jin Xia (王金霞) (Note 2)	131, Zhanghu Village, Dachejia Town, Gaomi City, Shandong Province	12,000	0.01%
Ms. Pang Jia Rui (龐加蕊) (Note 2)	Rencai Dashichang Building, Baoan North Road, Luohu District, Shenzhen, Guangdong Province	12,000	0.01%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Li Hai Ying (李海英) (Note 2)	3/F, Zonghe Building, Zhongxincheng Longfuyicun Longgang District, Shenzhen, Guangdong Province	12,000	0.01%
Ms. Yang Guang Hong (楊光紅) (Note 2)	301, Unit 1, Building A9, Zhanggongshan Road, 666, Yuhui District, Bangpu City, Anhui Province	12,000	0.01%
Ms. Tang Qun (唐群) (Note 2)	02 Nongmao Market Juweihui, Jiangya Town, Cili County, Hunan Province	80,000	0.04%
Ms. Wang Ping (王平) (Note 2)	No. 74 Changjiangdadao, Lucheng Street, Yidu City, Hubei Province	20,000	0.01%
Ms. Sun Xiao Juan (孫曉娟) (Note 2)	Building 88, Longwangmiao Industrial Zone, Fuyongda Road, Baoan District, Shenzhen, Guangdong Province	20,000	0.01%

Grantee	Address	Number of Shares under the options granted	Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue
Mr. Fan Wu Yang (范武陽) (Note 2)	11-2, Shenghuacun Erfanwan, Liufang Street, Jiangxia District, Wuhan City, Hubei Province	20,000	0.01%
Mr. Chen Bao Liang (陳寶良) (Note 2)	Rencai Shichang Building, Baoan North Road, Luohu District, Shenzhen, Guangdong Province	20,000	0.01%
Ms. Li Xing Xing (李星星) (Note 2)	Building 88, Longwangmiao Industrial Zone, Baoan District, Shenzhen, Guangdong Province	20,000	0.01%
Ms. Feng Huan (馮歡) (Note 2)	569 Guodao Street, Cihang Town, Renshou County, Sichuan Province	40,000	0.02%
Mr. Du Jun Kun (杜俊坤) (Note 2)	36, Sheba Village Sanzu, Laojun Town, Hantai District, Hanzhong City, Shaanxi Province	120,000	0.06%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Mr. Yang Jun (楊軍) (Note 2)	32, Gaotan Village Sanzu, Gaotanxiang, Jingyan County, Sichuan Province	120,000	0.06%
Ms. Ling Jian Hua (凌建華) (Note 2)	25 Nancai, Liuxu Village, Jianghua Town, Taixing City, Jiangsu Province	120,000	0.06%
Mr. Xu Ke (許科) (Note 2)	No. 1201, Unit 2, Block 2, 72 Jinyin Garden, Nigangbei Village, Luohu District, Shenzhen, Guangdong Province	120,000	0.06%
Mr. Yang Zhi (楊志) (Note 2)	Building 88, Longwangmiao Industrial Zone, Fuyongda Road, Baoan District, Shenzhen, Guangdong Province	120,000	0.06%
Ms. Xu Feng Ping (徐鳳萍) (Note 2)	No. 22, 1st Floor, Guomiansanchang Jianshe Village #1, Baqiao District, Xian City, Shaanxi Province	40,000	0.02%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Mr. An Wei (安威) (Note 2)	Unit 3, Building 3, No. 347 Heping Road, Handan City, Hanshan District, Hebei Province	80,000	0.04%
Mr. Wang Wen Jin (汪文金) (Note 2)	No. 7, Jiliang Street, Mulaoxiang, Jialing District, Nanchong City, Sichuan Province	40,000	0.02%
Mr. Cao Rong Han (曹榮罕) (Note 2)	Caojia Village, Guxiandu Town, Poyang County, Shangrao City, Jiangxi Province	20,000	0.01%
Ms. Zheng Chu Zhu (鄭楚珠) (Note 2)	No. 7 Xibazhixiang, Meimeiyuan Road, Jinpu Avenue, Chaoyang District, Shantou City, Guangdong Province	20,000	0.01%
Mr. Fang Liang Cong (方良聰) (Note 2)	No. 53, Chuandan Company Limited Residence Apartment, Zhongshan 1st Road, Lianjiang City, Guangdong Province	20,000	0.01%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Zhang Xiao Ying (張小英) (<i>Note 2</i>)	No. 16, Unit 5, Liujia Village, Xiaodu Town, Tongnan County, Chongqing City	20,000	0.01%
Mr. Xiang Shao Hua (向少華) (<i>Note 2</i>)	No. 21, Xiangyang Village #2, Duchang Town, Duchang County, Jiujiang City, Jiangxi Province	20,000	0.01%
Mr. Wang Zhi Jun (王志軍) (<i>Note 2</i>)	No. 183, Wangying, Daxiezhuan Xingzheng Village, Tianqiaoxiang, Linqun County, Anhui Province	20,000	0.01%
Mr. Zhang Ze Chi (張澤池) (<i>Note 2</i>)	Wanglou, Nanwanglou Village, Huangbu Town, Shangcai County, Henan Province	20,000	0.01%
Mr. Lou Weng Kuong (盧榮光) (<i>Note 3</i>)	Rua da Praia Grand, No. 335 Van Keng Lao, 5-And-F, Macau	320,000	0.16%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Mr. Liu Chun (劉春) (<i>Note 3</i>)	Flat 302, Unit 1, Building 13, No. 173, Si Liu South Road, Si Fang District, Qingdao City, Shandong Province	80,000	0.04%
Mr. Qiu Rong Jie (裘榮杰) (<i>Note 3</i>)	No. 74 Caojiaqiao, Xinfeng Community, Pengbu Town, Jiangan District, Hangzhou, Zhejiang Province	200,000	0.10%
Mr. Gao Han Hui (高漢輝) (<i>Note 3</i>)	Room 2208, Building 3, No. 1088 Fenghuang North Road, Xiangzhou District, Zhuhai City, Guangdong Province	120,000	0.06%
Ms. Liu Xiu Jun (劉秀君) (<i>Note 3</i>)	2-2, No. 206-7, Shenyang Road, Shenhe District, Shenyang City, Liaoning Province	160,000	0.08%

<u>Grantee</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding held under the options granted immediately following completion the Global Offering and the Capitalisation Issue</u>
Ms. Ni Jia (倪佳) (Note 3)	Room 102, 1/F, Changqing Xiaoqu, 76 Central Avenue, Ranghulu District, Daqing City, Heilongjiang Province	80,000	0.04%
Wuxi Liansheng Printing & Dyeing Co., Ltd. (無錫市聯盛印染有 限公司) (Note 4)	Luzhong North Road, Yangshan Town, Huishan District, Wuxi City, Jiangsu Province	120,000	0.06%
Subtotal		4,760,000	

Note 1: Chow On Wa is a business consultant of the Company, who brought contributions to the Company during the Track Record Period.

Note 2: Those grantees under the Pre-IPO Share Option Scheme are employees of the Group, who brought contributions to the Company during the Track Record Period.

Note 3: Those grantees under the Pre-IPO Share Option Scheme are the independent distributors of the Group.

Note 4: Wuxi Lianshen Printing & Dyeing Co., Ltd. is one of the major suppliers of the Group.

Save for the above, no further options has been offered under the Pre-IPO Share Option Scheme and no further options will be offered thereunder on or after the Listing Date.

Assuming that the Over-allotment Option is not exercised, the shareholding in the Company before and after the full exercise of all the options granted under the Pre-IPO Share Option Scheme for the grantees under the Pre- IPO Share Option Scheme and those who will exercise, or control the exercise of, 5% of more of voting power at general meetings of the Company before the exercise of the options granted under the Pre-IPO Share Option Scheme will be as follows:

	<u>Before any exercise</u>	<u>After full exercise</u>
World Empire	75%	67.47%
Grantees under the Pre-IPO Share Option Scheme (Note)	0%	10.04%

Note: This excludes the shareholding held by World Empire.

We will ensure compliance with the minimum public float requirement of Rule 8.08 of the Listing Rules. The Directors and our connected persons will not exercise any option if as a result of which the Company will not be able to comply with the public float requirements of the Listing Rules.

C. Effect on the Earnings per Share as a Result of the Pre-IPO Share Options

Assuming that all of the options granted under the Pre-IPO Share Option Scheme are exercised in full on the Listing Date, this would have a dilutive effect on the shareholdings of the Company of approximately 10.04%. If calculated based on 222,320,000 Shares, the assumed number of Shares to be in issue and outstanding throughout the year ended 31 December 2011 solely for purposes of this calculation, comprising 200,000,000 Shares to be in issue immediately after the Global Offering and 22,320,000 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, and assuming our unaudited pro forma estimated combined profit attributable to equity holders of the Company for the year ended 31 December 2011 remains unchanged upon the exercise of the Pre-IPO Share Options in full, our unaudited pro forma estimated earnings per Share for the year ended 31 December 2011 would decrease by approximately 10.04%.

9. POST-IPO SHARE OPTION SCHEME

Summary of terms

The following is a summary of the principal terms of the Post-IPO Share Option Scheme, which is in accordance with Chapter 17 of the Listing Rules and was adopted pursuant to the written resolutions of the sole Shareholder of the Company passed on 22 October 2012:

(a) Purpose

The purpose of the Share Option Scheme is to provide incentive or reward to the Eligible Participants (as defined in paragraph (b) below) with an opportunity to acquire

the equity interests in the Company, for their contributions to, and continuing efforts to promote the interest of the Group or for such other purposes as our Board may approve from time to time, thus linking their interests with the interests of the Group and thereby inactivating, attracting and encouraging those parties to work better for the interests of the Group.

(b) Who may join

The Board may, in its discretion, offer to grant options to subscribe for such number of Shares as the Board may determine at an exercise price determined in accordance with paragraph (c) below to the following Eligible Participants (“Offer”):

- (i) the full-time employees, executives or officers (including executive, non-executive and independent non-executive Directors) of the Company;
- (ii) the full-time employees of any of the subsidiaries of the level of manager or above;
- (iii) any suppliers, customers, consultants, agents, advisors that have contributed or will contribute to the Company and/or any of its subsidiaries; and
- (iv) any other persons who, in the sole opinion of the Board, have contributed or will contribute to the Company and/or any of the subsidiaries.

(c) Subscription price

The subscription price of a Share in respect of any particular option granted under the Post-IPO Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price shall at least be the higher of:

- (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of Offer, which must be a day on which the Stock Exchange is open for the business of dealing in securities (“Business Day”); and
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five Business Days immediately preceding the date of Offer.

(d) Acceptance of Offer

Any Offer of option may be accepted, in whole or in part, in a board lot of dealing in Shares on the Stock Exchange or an integral multiple thereof and in writing received by any director or the secretary of the Company on the date specified in the Offer provided that no such Offer shall be open for acceptance after the expiry of the Scheme Period (as defined in paragraph (j)) below or after the Post-IPO Share Option Scheme has been terminated in accordance with the rules thereof.

(e) Maximum number of Shares in respect of which options may be granted

The maximum number of Shares in respect of which options may be granted under the Post-IPO Share Option Scheme and under any other share option schemes of the Group must not in aggregate exceed 10% of the total number of Shares in issue at the Listing Date (without taking into account any Shares that may be issued upon the full exercise of the Over-allotment Option), being 20,000,000 Shares (“Limit”). Options which have lapsed in accordance with the terms of the Post-IPO Share Option Scheme (or any other share option schemes of the Company) will not be counted for the purpose of calculating the Limit. Subject to the approval of the Shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Company may refresh the Limit at any time provided that:

- (i) the Limit as refreshed does not exceed 10% of the Shares in issue as at the date of the approval by the Shareholders of the Company in general meeting;
- (ii) the options previously granted (including those outstanding, cancelled, lapsed in accordance with the provisions of the Post-IPO Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Limit as refreshed; and
- (iii) a circular containing the information and the disclaimer, respectively required under Rule 17.02(2)(d) and Rule 17.02(4) of the Listing Rules shall be despatched, also in compliance with Rule 17.06 of the Listing Rules, to the Shareholders of the Company together with the notice of the relevant general meeting.

The Company may also with the approval of the Shareholders of the Company in general meeting grant options in respect of Shares in excess of the Limit (as refreshed from time to time) to Eligible Participants specifically identified by the Company before such approval is sought. The circular issued by the Company to its Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules. We will issue such a circular in compliance with Rule 17.06 of the Listing Rules.

Notwithstanding the foregoing, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Post-IPO Share Option Scheme and any other share option schemes of the Group at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Post-IPO Share Option Scheme) if this will result in the 30% limit being exceeded.

The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial advisor shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (r) below whether by way of consolidation, subdivision or reduction of the share capital of the Company but shall in no event exceed the 30% limit.

(f) Maximum entitlement of each Eligible Participant

The total number of Shares issued and which fall to be issued upon exercise of the options granted under the Post-IPO Share Option Scheme and any other share option schemes of the Group (including both exercised and outstanding options) to each Eligible Participant in any 12-month period up to the date of offer to grant shall not exceed 1% of the Shares in issue as at the date of offer to grant.

Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by the Company disclosing the identity of the Eligible Participant, the number of and terms of the options to be granted (and options previously granted to such participant) and the information as required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules. We will issue such a circular in compliance with Rule 17.06 of the Listing Rules; and
- (ii) the approval of the Shareholders of the Company in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting.

The number and terms (including the exercise price) of options to be granted to such participant must be fixed before the approval by the Shareholders of the Company and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of offer of grant for the purpose of calculating the subscription price of the Shares.

(g) Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive directors (excluding any independent non-executive director who is proposed to be an option holder).

If the Company proposes to grant options to a substantial shareholder or any independent non-executive director of the Company or their respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be

issued upon exercise of options 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 offer of such grant:

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

such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders of the Company in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the Company shall abstain from voting at such general meeting, and/or such other requirements prescribed under the Listing Rules from time to time.

(h) Restrictions on the times of grant of options

An offer to grant options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been published by the Company. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of actual publication of the results announcement.

(i) Rights are personal to option holder

An option is personal to the option holder and is not transferable or assignable.

(j) Exercise period and duration of the Post-IPO Share Option Scheme

Subject to the rules of the Post-IPO Share Option Scheme, options may be exercised by an Eligible Participant, in whole or in part, at any time during the period commencing from the date of grant and such expiry date as determined by the Board in the Offer. Subject to earlier termination by the Company in general meeting or by the Board, the Post-IPO Share Option Scheme shall be valid and effective for a period commencing from the Listing Date and expiring on the business day preceding the tenth anniversary thereof ("Scheme Period").

(k) Performance target

An Eligible Participant to whom any option is granted is required to achieve such performance target as determined by the Board before any exercise of his/her option.

(l) Rights of exercise for option holders

In the event that the grantee ceases to be an Eligible Participant under the Post-IPO Share Option Scheme by reason of death or permanently disabled before exercising the option in full or at all, the option may be exercised up to the entitlement of such grantee by his personal representatives within twelve months after the date of his death or permanent disability or such longer period as the Board may determine.

In the event that the grantee ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Participant, his right to exercise an option (to the extent not already exercised) shall terminate immediately.

Where the Grantee of an outstanding option ceases to be an Eligible Participant for other reason save as aforesaid, the option may be exercised within one month after the date of such cessation.

(m) Discretion of the Board

Notwithstanding the aforesaid in paragraph (l) above, in each case, the Board may in its absolute discretion decide that any option shall not so lapse or determine subject to such conditions or limitations as the Board may decide.

(n) Rights on takeover and scheme of arrangement

If a general offer by way of takeover is made to all our Shareholders and holders of the Preference Shares and the offer or shall have obtained control of the Company as a consequence, option holders shall, subject to paragraph (k) above, be entitled at any time within the period of one month after control has been obtained to exercise the option in whole or in part (to the extent not already exercised), notwithstanding any restrictions in the terms of grant of the option which would otherwise have prevented the option from being exercised during such period. Any option that has not been so exercised within the one-month period shall cease and determine.

If a general offer by way of a scheme of arrangement is made to all the Shareholders and holders of the Preference Shares and the scheme has been approved by the necessary number of the Shareholders at the requisite meetings, the Company shall forthwith give notice to all the option holders on the same days as it gives notice of the meeting to the Shareholders summoning the meeting to consider such a scheme of arrangement and any option holder, subject to paragraph (k) above, may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the option to its full extent or to the extent specified in such notice.

(o) Rights on winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all option holders and thereupon, each option holder shall be entitled to exercise all or any of his or her options (to the extent not already exercised) at any time thereafter until such resolution is duly passed or defeated or the general meeting concluded or adjourned sine die, whichever shall first occur. If such resolution is duly passed, all options shall, to the extent that they have not been exercised, lapse and determine.

(p) Rights on compromise or arrangement between the Company and its member or creditors

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which the Company was incorporated, the Company shall give notice to all the option holders on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and each option holder shall forthwith be entitled to exercise his or her option until the earlier of the date two months thereafter or the date on which the compromise or arrangement is sanctioned by the court. But the exercise of the option as aforesaid shall be conditional upon the compromise or arrangement being sanctioned by the court.

Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine.

(q) Ranking of Shares issued upon exercise of options

The Shares to be allotted and issued upon the exercise of an option will not carry voting rights until completion of the registration of the option holder (or any other person) as the Shareholder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation, as attached to the other fully-paid Shares in issue on the date of exercise, save that they will not rank for any dividend or other distribution declared or recommended or resolved to be paid or made by reference to a record date falling on or before the date of exercise.

(r) Effect of alterations to capital

In the event of capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of share capital of the Company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option

and/or the method of exercise of the option as the auditors of the Company or an independent financial advisor shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto. Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company (as interpreted in accordance with the Supplementary Guidance, for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription price payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. No adjustments shall be made to the exercise price or the number of Shares to the benefit of any Eligible Participant without the approval by ordinary resolution of the Shareholders of the Company. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(s) *Lapse of options*

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

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the date of lapse as provided in paragraphs (l), (n), (o) or (p) above; and
- (iii) the date on which the options are cancelled in accordance with paragraph (u) below.

(t) *Alteration of the Post-IPO Share Option Scheme*

The Post-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that:

- (i) any alteration to the advantage of the option holders or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and
- (ii) any material alteration to the terms and conditions of the Post-IPO Share Option Scheme or any change to the terms of options granted,

shall first be approved by the Shareholders in general meeting except where the proposed alteration takes effect automatically under the existing terms of the Post-IPO Share Option Scheme. Any change to the authority of the Board in relation to any alteration to the terms of the Post-IPO Share Option Scheme must be approved by the Shareholders in general meeting.

(u) Cancellation of options

Any unexercised option may be cancelled subject to approval by the option holder. Issuance of new options to the same option holder may only be made if there are unissued options available under the Post-IPO Share Option Scheme (excluding the cancelled options) within the 10% limit or the limit as refreshed pursuant to the Post-IPO Share Option Scheme and in compliance with the terms of the Post-IPO Share Option Scheme in force from time to time.

(v) Termination of the Post-IPO Share Option Scheme

The Company may by resolution in general meeting or the Board may at any time terminate the Post-IPO Share Option Scheme and in such event no further options shall be granted but the provisions of the Post-IPO 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 Post-IPO Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Post-IPO Share Option Scheme.

(w) Administration of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme shall be administered by the Board whose decision as to all matters arising in relation to the Post-IPO Share Option Scheme or its interpretation or effect (save as otherwise provided herein) shall be final and binding on all parties.

(x) Condition of the Post-IPO Share Option Scheme

The Post-IPO Share Option Scheme is conditional on:

- (i) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of any options which may be granted under the Post-IPO Share Option Scheme;
- (ii) the pass of the resolutions by the Shareholders to approve and adopt the Post-IPO Share Option Scheme;
- (iii) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise; and
- (iv) the commencement of dealings in our Shares on the Stock Exchange.

(y) Present status of the Post-IPO Share Option Scheme

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

Application has been made to the Listing Committee of the Stock Exchange for listing of and permission to deal in the Shares which fall to be issued pursuant to the exercise of any options which may be granted under the Post-IPO Share Option Scheme.

10. OTHER INFORMATION

A. Litigation

As at the Latest Practicable Date, save as disclosed in this Prospectus, no member of the Group was engaged in any litigation or arbitration of material importance and, so far as the Directors are aware, no litigation or claim of material importance is pending or threatened by or against any member of the Group would have a material adverse effect on our consolidated financial position and results of operations.

B. Sole Sponsor

The Sole Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for a listing of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this Prospectus (including any Shares which may fall to be issued pursuant to the exercise of the Over-allotment Option and the exercise of the Options granted under the Pre-IPO Share Option Scheme and the Post-IPO Share Option Scheme).

C. Preliminary listing expenses

The preliminary listing expenses of the Global Offering are estimated to be approximately HK\$18.5 million are payable by the Company. For further details, please refer to the paragraph headed “Effect on our financial performance due to listing expenses and equity-settled share-based payment expenses – (i) Listing Expenses” in the section “Financial Information” of this Prospectus.

D. Promoter

There are no promoters of the Company.

E. Indemnities and tax liabilities

Our Controlling Shareholders (the “Indemnifiers”) have entered into a deed of indemnity dated 22 October 2012 in favour of the Company (being a material contract referred to in the paragraph headed “Summary of material contracts” of this Appendix) to provide the following indemnities in favour of the Company (for itself and as trustee for its subsidiaries).

Under the deed of indemnity, amongst others, each of the Indemnifiers irrevocably, jointly and severally agrees, covenants and undertakes with each of the member of the Group that he/it will indemnify each of the members of the Group against taxation falling on any member of the Group resulting from or by reference to any income, profits or gains, transactions, events, acts, omissions, matters or things earned, accrued or received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the date when the Global Offering becomes unconditional (the “Effective Date”).

The Indemnifiers will, however, not be liable under the deed of indemnity for taxation where, among others, (a) provision has been made for such taxation in the audited accounts of the Group for each of the three financial years ended 31 December 2011 and the six months ended 30 June 2012 as set out in the Accountants’ Report in Appendix I to this Prospectus and provision, reserve or allowance for which will be made in the audited accounts of the Company and the subsidiaries covering the period from 1 July 2012 to the Effective Date on a basis consistent with that made in the said audited accounts; and (b) the taxation arises or is incurred as a result of a retrospective change in law or the interpretation or practice by the relevant tax authority coming into force after the Effective Date or to the extent that the taxation arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect.

The Directors have been advised that no material liability for estate duty is likely to fall on any member of the Group.

F. Qualification 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>
Haitong International Capital Limited	Licensed to conduct type 6 (advising on corporate finance) regulated activities under the SFO
Grandall Law Firm (Shenzhen)	PRC legal advisors
Maples and Calder	Cayman Islands legal advisors
Deloitte Touche Tohmatsu	Certified Public Accountants
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Property Valuers and Consultant

G. Consents of experts

Each of Haitong International Capital Limited, Grandall Law Firm (Shenzhen), Maples and Calder, Deloitte Touche Tohmatsu and Jones Lang LaSalle Corporate Appraisal and Advisory Limited has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

H. 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 Ordinance so far as applicable.

I. 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 Hong Kong Companies Ordinance (Exemption of Companies and Prospectus from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

J. Miscellaneous

(a) Save as disclosed in this Prospectus:

- (i) no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
- (ii) no share or loan capital of any number of the Group 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, within the two years immediately preceding the date of this Prospectus, in connection with the issue or sale of any share or loan capital of any number of the Group;
- (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in the Company or any of its subsidiaries;

(b) save as disclosed in this Prospectus, there are no founder, management or deferred shares nor any debentures in the Company or any of its subsidiaries;

(c) we have no outstanding convertible debt securities;

(d) none of our Directors nor any of the experts referred to in the paragraph headed “Consents of experts” in this Appendix has any direct or indirect interest in the promotion of the Company, 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 the Group, or are proposed to be so acquired, disposed of or leased;

- (e) none of our Directors or any of the experts referred to in the paragraph headed “Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date to this Prospectus which is significant in relation to our business;
- (f) none of the persons named in the sub-paragraph headed “Consents of experts” in this Appendix is interested beneficially or otherwise in any shares of any member of the Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of the Group;
- (g) save for the listing expenses and equity-settled share-based payment expenses as detailed in the paragraph headed “Effect on our financial performance due to listing expenses and equity-settled share-based payment expenses – (i) Listing Expenses” in the section “Financial Information” of this Prospectus, the Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 30 June 2012 (being the date to which the latest audited combined financial statements of the Group were made up);
- (h) the Directors confirm that there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this Prospectus;
- (i) the register of members of the Company will be maintained in Hong Kong by Computershare Hong Kong Investor Services Limited. All transfer and other documents of title of Shares must be lodged for registration with and registered by the Company’s Hong Kong Share Registrar. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;
- (j) no company within the Group is presently listed on any stock exchange or traded on any trading system;
- (k) there is no arrangement under which future dividends are waived or agreed to be waived;
and
- (l) the Global Offering does not involve the exercise of any right of pre-emption or the transfer of subscription rights.