

FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Cayman Islands Company Law as an exempted company with limited liability on 18 April 2013.

Our Company has established its principal place of business in Hong Kong at 20/F., Tower B, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong and was registered as a non-Hong Kong company under Part XI of the Companies Ordinance on 13 May 2013. In connection with such registration, our Company has appointed Mr. Lau of 20/F., Tower B, Southmark, 11 Yip Hing Street, Wong Chuk Hang, Hong Kong as an authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, its operations are subject to the relevant laws and regulations of the Cayman Islands and to its constitution, which comprises the Memorandum and the Articles. A summary of various provisions of its constitution and certain relevant aspects of the Cayman Islands Company Law is set out in Appendix III to this prospectus.

2. Changes in the share capital of our Company

As at the date of incorporation of our Company, its authorised share capital was HK\$390,000 divided into 3,900,000 Shares of par value of HK\$0.10 each. On 18 April 2013, one subscriber's Share was transferred to Hiluleka. On the same day, our Company issued and allotted nil paid, 599 Shares to Hiluleka and 400 Shares to Red Home.

On 4 September 2013, the authorised share capital of our Company was increased from HK\$390,000 divided into 3,900,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,996,100,000 Shares. On 10 September 2013, the 1,000 Shares issued nil paid in the name of Hiluleka and Red Home were credited as fully paid.

Assuming that Capitalisation Issue are made and immediately following completion of the Global Offering, but taking no account of any Shares which may be allotted and issued pursuant to the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, the authorised share capital of our Company will be HK\$1,000,000,000 divided into 10,000,000,000 Shares and the issued share capital of our Company will be HK\$72,000,000 divided into 720,000,000 Shares, all fully paid or credited as fully paid. Other than any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, there is no present intention to issue any part of the authorised but unissued share capital of our Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as aforesaid and disclosed in the section headed "Further information about our Group – Reorganisation" below, there has been no alteration in the share capital of our Company since its incorporation.

3. Written resolutions of all the Shareholders passed on 4 September 2013

On 4 September 2013, written resolutions of all the Shareholders were passed pursuant to which, amongst other things:

- (a) our Company approved and adopted the Memorandum and the Articles;
- (b) the authorised share capital of our Company was increased from HK\$390,000 divided into 3,900,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,996,100,000 Shares;
- (c) conditional upon the same conditions to be satisfied and/ or waived as stated in the section headed “Structure of the Global Offering” in this prospectus:
 - (i) the Global Offering and the grant of the Over-Allotment Option by the Selling Shareholder were approved and our Directors were authorised to approve the allotment and issue of new Shares which may be required to be issued under the Global Offering;
 - (ii) the rules of the Pre-IPO Share Option Scheme, the principal terms of which are set out in the section headed “Pre-IPO Share Option Scheme” below, were approved and adopted and our Directors or any such committee thereof were authorised to approve any amendments of the rules of the Pre-IPO Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion, subject to the terms and conditions of the Pre-IPO Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Pre-IPO Share Option Scheme and to take all such steps as may be necessary, expedient or desirable to implement the Pre-IPO Share Option Scheme;
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the section headed “Share Option Scheme” below, were approved and adopted and our Directors or any such committee thereof were authorised to approve any amendments of the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion, subject to the terms and conditions of the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, expedient or desirable to implement the Share Option Scheme;
 - (iv) conditional upon the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to capitalise the amount of HK\$53,000,000 from the amount standing to the credit of the share premium account of our Company to pay up in full at par 530,000,000 Shares for allotment and issue to the person(s) whose name(s) appear(s) on the register of members of our Company at the close of business on 4 September 2013, pro-rata to its/their then respective shareholdings in our Company;

- (d) a general unconditional mandate was granted to our Directors to allot, issue and deal with, otherwise than by way of rights issue, or scrip dividend schemes or similar arrangements in accordance with the Articles, or grant of options under the Pre-IPO Share Option Scheme and the Share Option Scheme, or pursuant to the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, or any other share option scheme or similar arrangement for the time being adopted, or any issue of Shares upon exercise of rights of subscription or conversion attaching to warrants of our Company of any securities (if any) which are convertible into Shares, or under the Global Offering, Shares with an aggregate nominal value not exceeding the sum of (a) 20% of the total nominal amount of the Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be allotted and issued pursuant to the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme); and (b) the total nominal amount of the Shares repurchased by our Company pursuant to the mandate granted to our Directors referred to in paragraph (e) below, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by applicable laws or the Articles to be held, or the passing of an ordinary resolution by the Shareholders in general meeting renewing, revoking or varying the mandate granted to our Directors, whichever occurs first;
- (e) a general unconditional mandate was granted to our Directors to exercise all the powers of our Company to repurchase Shares on the Stock Exchange and/or on any other stock exchange on which the Shares are listed (and which are recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with the Listing Rules, with a total nominal value of not exceeding 10% of the aggregate nominal value of the Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be issued and allotted pursuant to the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the applicable laws or the Articles to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the mandate granted to our Directors, whichever occurs first; and
- (f) the extension of the general unconditional mandate granted to our Directors pursuant to paragraph (d) above by the addition to the aggregate nominal value of the Shares which may be allotted and issued or agreed (conditionally or unconditionally) to be allotted or issued by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased pursuant to the mandate to repurchase Shares referred to in paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be issued and allotted pursuant to the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme).

4. Reorganisation

The companies comprising our Group underwent the Reorganisation to rationalize our Group's structure in preparation for the listing of the Shares on the Main Board. The Reorganisation involved the following:

- (a) the incorporation of the Company on 18 April 2013 by Hiluleka and Red Home which were held by them in the shareholding proportion of 60% and 40% respectively;
- (b) the authorized share capital of our Company was increased from HK\$390,000 divided into 3,900,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 Shares by the creation of an additional 9,996,100,000 Shares on 4 September 2013; and
- (c) the acquisition of 6,000,000 shares and 4,000,000 shares in the issued shares of Matusadona by our Company from Hiluleka and Red Home respectively (representing 60% and 40% of its total issued shares respectively) on 10 September 2013, in the consideration of the issue and allotment of 5,999,400 new Shares to Hiluleka and 3,999,600 new Shares to Red Home, all credited as fully paid.

5. Changes in the share capital of the subsidiaries of our Company

The subsidiaries of our Company are listed in the accountant's report of our Company, the text of which is set out in Appendix I to this prospectus. In addition to the alterations disclosed in paragraph 4 above, the following alterations in the share capital of the subsidiaries of our Company took place within two years immediately preceding the date of this prospectus:

(a) Familj

On 7 November 2011, Familj was incorporated in Hong Kong with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, of which 100 shares were issued and allotted to JHC (Management) on its date of incorporation. On 8 December 2011, 2 shares of Familj were issued and allotted to Mr. Lin Ming Feng for a consideration of HK\$1. On 28 March 2012, each share of Familj of HK\$1 each was sub-divided into 10 shares of HK\$0.10 each. On 29 March 2012, the authorised share capital of Familj was increased to HK\$292,000 divided into 2,920,000 shares of HK\$0.10 each. On 30 March 2012, 2,499,000 shares and 419,980 shares of Familj were issued and allotted to JHC (Management) and Mr. Lin Ming Feng for considerations of HK\$3,083,921 and HK\$101,404 respectively.

(b) JHC (China)

On 24 October 2011, JHC (China) was incorporated in Hong Kong with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, of which 100 shares were issued and allotted to JHC (Management) on its date of incorporation.

(c) JHC (Singapore)

On 8 September 2011, JHC (Singapore) was incorporated in Singapore with the issue and allotment of 2 shares to JHC (Management) at an issue price of SGD1 each. On 11 October 2011, 999,998 shares were issued and allotted to JHC (Management) at an issue price of SGD1 each. On 28 October 2011, 2,322,500 shares were issued and allotted to JHC (Management) at an issue price of SGD1 each. On 1 November 2011, 2,215,000 shares were issued and allotted to Japan Home Pte Ltd at an issue price of SGD1 each as partial consideration for the transfer of Japan Home Pte Ltd's business to JHC Singapore. On 26 March 2013, (i) 135,000 shares were issued and allotted to Japan Home Pte Ltd at an issue price of SGD1 each as partial consideration for the transfer of Japan Home Pte Ltd's business to JHC (Singapore), and (ii) 202,500 shares were issued and allotted to JHC (Management) at an issue price of SGD1 each.

(d) JHC (Malaysia)

On 12 August 2011, JHC (Malaysia) was incorporated in Malaysia with an authorised share capital of MYR100,000 divided into 100,000 shares of MYR1 each, of which each of Mr. Lim Shek Han and Ms. Hon Siew Wein had been allotted and issued 1 share. On 6 December 2011, the authorised share capital of JHC (Malaysia) was increased to MYR5,000,000. On 6 December 2011, 1,140,000 shares of JHC (Malaysia) were allotted and issued to JHC (Management). On 12 December 2011, 59,998 shares of JHC (Malaysia) were allotted and issued to Mr. Lim Shek Han. On 23 March 2012, 600,000 shares of JHC (Malaysia) were allotted and issued to Mr. Lim Shek Han and Ms. Hon Siew Wein respectively. On 10 May 2013, 264,558 shares and 1,806,927 shares of JHC (Malaysia) were allotted and issued to JHC (Management) and Mr. Chin Chain Yong, respectively.

(e) Living Plus Trading (Shenzhen) Company Limited* (泛美家貿易(深圳)有限公司)

On 21 June 2011, Living Plus Trading (Shenzhen) Company Limited* (泛美家貿易(深圳)有限公司) was established in the PRC with a registered capital of HK\$1,000,000.

(g) Living Plus (Nanjing)

On 2 March 2012, Living Plus (Nanjing) was established in the PRC with a registered capital of US\$1,000,000. On 4 September 2013, the registered capital of Living Plus (Nanjing) was increased to US\$2,000,000.

Save as disclosed herein, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

* For identification purpose only

6. Further information about our Group's PRC establishments

Our Group has interest in the registered capital of two PRC subsidiaries. A summary of the corporate information of such PRC subsidiaries as at the Latest Practicable Date is set out as follows:

(a) 泛美家貿易(深圳)有限公司

(i) Name of the enterprise:	泛美家貿易(深圳)有限公司 (Living Plus Trading (Shenzhen) Company Limited*)
(ii) Date of establishment:	21 June 2011
(iii) Economic nature:	Wholly-owned by a corporation in Taiwan, Hong Kong or Macau (台港澳法人獨資)
(iv) Registered owner:	JHC (Management)
(v) Total investment:	HK\$1,000,000
(vi) Registered capital:	HK\$1,000,000
(vii) Attributable interest to our Group:	100%
(viii) Term of operation:	From 21 June 2011 to 21 June 2031

(b) 易生活(南京)百貨有限公司

(i) Name of the enterprise:	易生活(南京)百貨有限公司 (Living Plus (Nanjing) Limited*)
(ii) Date of establishment:	2 March 2012
(iii) Economic nature:	Wholly-owned by a corporation in Taiwan, Hong Kong or Macau (台港澳法人獨資)
(iv) Registered owner:	Familj
(v) Total investment:	US\$2,800,000
(vi) Registered capital:	US\$2,000,000
(vii) Attributable interest to our Group:	85.6%
(viii) Term of operation:	From 2 March 2012 to 1 March 2027

7. Repurchase by our Company of its own securities

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

* For identification purpose only

(a) Regulations of the Listing Rules

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

(i) Shareholders' approval

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

Note: Pursuant to the written resolutions of all Shareholders passed on 4 September 2013, the Repurchase Mandate was granted to our Directors authorising any repurchase by our Company of Shares as described in the section headed "Further information about our Group – Written resolutions of all the Shareholders passed on 4 September 2013" above.

(b) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company or its subsidiaries if the Repurchase Mandate is exercised.

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

No connected person of our Company has notified our Company that he/she/it has a present intention to sell Shares to our Company, or has undertaken not to do so, in the event the Repurchase Mandate is exercised.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Code on Takeovers and Mergers of Hong Kong (the "Takeovers Code"). Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of our 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 consequences which would arise under the Takeovers Code as a consequence of any repurchases made pursuant to the Repurchase Mandate immediately after Listing.

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

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP**8. Summary of material contracts**

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

- (a) a sale and purchase agreement dated 5 October 2011 (the “Sale and Purchase Agreement”) entered into among Japan Home Pte Ltd, JHC (Singapore), JHC (Management) and Mr. Chin Chain Yong pursuant to which Japan Home Pte Ltd agreed to sell and JHC (Singapore) agreed to purchase the business of retail sale and wholesale of houseware and other products sold by Japan Home Pte Ltd (the “Business”) at a consideration of (i) the cash sum equal to SGD2,025,000 (subject to adjustments) and (ii) the sum of SGD2,350,000 to be satisfied by allotting and issuing to Japan Home Pte Ltd 2,350,000 shares of JHC (Singapore);
- (b) a shareholders’ agreement dated 5 October 2011 entered into among the same parties to the Sale and Purchase Agreement, pursuant to which the parties agreed to operate JHC (Singapore) as a joint venture company for the purpose of carrying on the Business;
- (c) a shareholders’ agreement dated 13 August 2013 entered into among JHC (Management), Mr. Lim Shek Han (“Mr. Lim”), Mr. Chin Chain Yong (“Mr. Chin”) and JHC (Malaysia), pursuant to which the parties agreed to regulate the affairs of JHC (Malaysia) and the respective rights of Mr. Chin, JHC (Management) and Mr. Lim as shareholders of JHC (Malaysia);
- (d) a sale and purchase agreement dated 10 September 2013 executed by the Company as purchaser, Hiluleka and Red Home as vendors and each of Mr. Lau, Ms. Ngai, Hiluleka and Red Home as warrantors, pursuant to which the Company acquired (i) from Hiluleka 6,000,000 shares in Matusadona at a consideration of issuing and allotting 5,999,400 new Shares in return to Hiluleka; and (ii) from Red Home 4,000,000 shares in Matusadona at the consideration of issuing and allotting 3,999,600 new Shares in return to Red Home, all credited as fully paid;
- (e) the Deed of Non-Competition dated 10 September 2013 between the Controlling Shareholders and the Company, details of which are set out in the section headed “Relationship with Controlling Shareholders – Non-competition undertakings”;
- (f) the deed of indemnity dated 10 September 2013 executed by the Controlling Shareholders and Red Home in favour of our Company (for itself and as trustee for each of its subsidiaries stated therein) containing (i) the indemnities in respect of taxation and (ii) other indemnities as more particularly set out in the sub-section headed “Other information – Tax and other indemnities and estate duty” in this Appendix;
- (g) a cornerstone investment agreement dated 10 September 2013 entered into between the Company, the Sole Global Coordinator and LIM Asia Special Situations Master Fund Limited, details of which are included in the section headed “Cornerstone Investor” of this prospectus; and
- (h) the Hong Kong Underwriting Agreement dated 11 September 2013, details of which are set out in the section headed “Underwriting” in this prospectus.

* For identification purpose only

9. Intellectual property rights of our Group

(a) Trade marks












As at the Latest Practicable Date, our Group has registered the following trade marks:

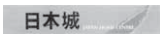




Trade mark	Registered owner	Class	Place of registration	Registration no.	Duration of validity
<p>A </p> <p>B </p> <p>C </p>	JHC (HK)	16, 18, 20, 21, 24, 27	Hong Kong	300122048	4 December 2003 to 3 December 2013 (renewal granted for a period of 10 years from 3 December 2013)
<p></p> <p></p>	JHC (HK)	16, 18, 20, 21, 24, 27	Hong Kong	300122057	4 December 2003 to 3 December 2013
<p></p> <p></p> <p></p> <p></p>	JHC (International)	16, 18, 20, 21, 24, 27	Hong Kong	300448722	30 June 2005 to 29 June 2015
<p>A </p> <p>C </p> <p>B </p> <p>D </p>	JHC (International)	16	Hong Kong	301050867	14 February 2008 to 13 February 2018
<p>A </p> <p>B </p>	JHC (International)	16	Hong Kong	301108700	5 May 2008 to 4 May 2018
<p></p>	JHC (International)	21	Hong Kong	301108719	5 May 2008 to 4 May 2018
<p></p> <p></p>	JHC (International)	11	Hong Kong	301249236	1 December 2008 to 30 November 2018
<p></p>	JHC (International)	21	Hong Kong	301405665	13 August 2009 to 12 August 2019
<p></p>	JHC (International)	21	Hong Kong	301504458	21 December 2009 to 20 December 2019

Trade mark	Registered owner	Class	Place of registration	Registration no.	Duration of validity
	JHC (International)	21	Hong Kong	301521765	14 January 2010 to 13 January 2020
	JHC (HK)	9, 14	Hong Kong	302393587	28 September 2012 to 27 September 2022
	JHC (HK)	20, 35	Hong Kong	302393631	28 September 2012 to 27 September 2022
	JHC (HK)	35	Hong Kong	302393659	28 September 2012 to 27 September 2022
	JHC (HK)	9, 14	Hong Kong	302393668	28 September 2012 to 27 September 2022
	JHC (HK)	18	Hong Kong	302393820	28 September 2012 to 27 September 2022
	JHC (HK)	16	Hong Kong	302393811	28 September 2012 to 27 September 2022
	JHC (HK)	24	Hong Kong	302406762	16 October 2012 to 15 October 2022
	JHC (HK)	24	Hong Kong	302406771	16 October 2012 to 15 October 2022
	JHC (HK)	21	Hong Kong	302406825	16 October 2012 to 15 October 2022
	JHC (HK)	6, 21	Hong Kong	302406834	16 October 2012 to 15 October 2022
	JHC (HK)	16	Hong Kong	302406843	16 October 2012 to 15 October 2022
	JHC (HK)	28	PRC	3308210	7 April 2004 to 6 April 2014
	JHC (HK)	21	PRC	3308211	14 November 2004 to 13 November 2014

Trade mark	Registered owner	Class	Place of registration	Registration no.	Duration of validity
	Familj	35	PRC	10613060	7 May 2013 to 6 May 2023
	Familj	35	PRC	10613028	7 May 2013 to 6 May 2023
	Familj	6	PRC	10612918	7 May 2013 to 6 May 2023
	Familj	11	PRC	10613003	7 May 2013 to 6 May 2023
	Familj	14	PRC	10618362	21 June 2013 to 20 June 2023
	Familj	16	PRC	10618538	14 June 2013 to 13 June 2023
	Familj	25	PRC	10618564	14 June 2013 to 13 June 2023
	Familj	26	PRC	10618571	14 June 2013 to 13 June 2023
	Familj	35	PRC	10618582	14 June 2013 to 13 June 2023
	Familj	8	PRC	10612974	7 July 2013 to 6 July 2023
	Familj	18	PRC	10618552	7 July 2013 to 6 July 2023
	JHC (HK)	21	PRC	3308212	21 December 2004 to 20 December 2014
	JHC (Singapore)	21, 35	Singapore	T1112637D	13 September 2011 to 13 September 2021
	JHC (Singapore)	21, 35	Singapore	T1112636F	13 September 2011 to 13 September 2021

As at the Latest Practicable Date, our Group had applied for registration of the following trade marks:

<u>Trade mark</u>	<u>Applicant</u>	<u>Class</u>	<u>Place of registration</u>	<u>Application no.</u>	<u>Application Date</u>
	JHC (HK)	8, 11, 21	Hong Kong	302393677	28 September 2012
	JHC (HK)	3, 18, 20, 21, 24	Hong Kong	302393695	28 September 2012
	JHC (HK)	21	Hong Kong	302406799	16 October 2012
MATSUSHO	JHC (HK)	9, 21	Hong Kong	302406780	16 October 2012
	JHC (HK)	21	Hong Kong	302406807	16 October 2012
peter bear 	JHC (HK)	20, 21, 24	Hong Kong	302406816	16 October 2012
Timeline 美時	JHC (HK)	9, 14	Hong Kong	302570418	8 April 2013
Timeline	JHC (HK)	9, 14	Hong Kong	302570427	8 April 2013
炭之不思議	JHC (HK)	3	Hong Kong	302570436	8 April 2013
傢心俚 Furniture Idea	JHC (HK)	20, 35	Hong Kong	302570445	8 April 2013
悉心照顧每個家	JHC (HK)	35	Hong Kong	302623040	30 May 2013
	JHC (HK)	16, 18, 20, 21, 24, 27, 35	Hong Kong	302623059	30 May 2013
	JHC (HK)	16, 18, 20, 21, 24, 27, 35	Hong Kong	302623068	30 May 2013
	JHC (HK)	16, 18, 20, 21, 24, 27, 35	Hong Kong	302623077	30 May 2013
A 	JHC (HK)	16, 18, 20, 21, 24, 27, 35	Hong Kong	302623077	30 May 2013
B 					
C 					

<u>Trade mark</u>	<u>Applicant</u>	<u>Class</u>	<u>Place of registration</u>	<u>Application no.</u>	<u>Application Date</u>
A 	JHC (HK)	35	Hong Kong	302623086	30 May 2013
B 					
C 					
A 	JHC (HK)	16, 18, 20, 21, 24, 27, 35	Hong Kong	302623103	30 May 2013
B 					

(b) Domain name

As at the Latest Practicable Date, our Group has registered the following domain name:

<u>Domain name</u>	<u>Registered owner</u>	<u>Registration date</u>	<u>Expiry date</u>
japanhomecentre.com.hk	JHC (HK)	29 March 2011	12 April 2023
jhc.com.hk	JHC (HK)	8 November 2012	8 November 2022
japanhome.com.hk	JHC (HK)	27 October 1999	1 October 2017

Note: Contents of the above websites do not form part of this prospectus.

FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS**10. Particulars of Directors' service contracts*****Executive Directors***

Each of our executive Directors has entered into a service agreement with our Company pursuant to which each of them agreed to act as an executive Director for an initial term of three years commencing on the Listing Date unless (i) terminated by either party thereto giving not less than 3 months' prior written notice or (ii) our Director not being re-elected as a Director or being removed by Shareholders at general meeting of our Company in accordance with the Articles. Particulars of the service agreements of our Directors are in all material respects the same.

Each of our executive Directors shall be entitled to an annual salary as set out below, subject to an annual review by the remuneration committee of the Board. The basic annual salaries of our executive Directors are as follows:

Name	Annual Salary
	<i>(HK\$)</i>
Mr. Lau	120,000
Ms. Ngai	120,000
Mr. Cheng Sing Yuk.....	120,000

Non-executive Directors

None of the non-executive Directors has entered into any service contract with the Group. Pursuant to the letter of appointment entered into between our Company and each of our non-executive Directors, each of our non-executive Directors has been appointed for an initial term of three years commencing from the Listing Date. Either our Company or the non-executive Director may give a 3 months' prior written notice to the other party for early termination of appointment.

Each of our non-executive Directors is entitled to a remuneration of HK\$120,000 per annum. Save for such remuneration, none of our non-executive Directors is expected to receive any other remuneration for holding their office as a non-executive Director.

Independent non-executive Directors

None of the independent non-executive Directors has entered into any service contract with the Group. Pursuant to the letter of appointment entered into between our Company and each of our independent non-executive Directors, each of our independent non-executive Directors has been appointed for an initial term of 1 year commencing from the Listing Date. Either our Company or the independent non-executive Director may give a 3 months' written notice to the other party for early termination of appointment.

The annual remuneration payable to the independent non-executive Directors ranges between HK\$120,000 to HK\$300,000. Save for such remuneration, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

11. Directors' remuneration

Remuneration of approximately HK\$4.3 million, HK\$4.6 million and HK\$5.0 million in aggregate was paid by our Group to our Directors in respect of each of the three financial years ended 30 April 2011, 2012 and 2013 respectively.

Under the arrangements currently in force, the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (including our independent non-executive Directors) for the year ending 30 April 2014 are expected to be approximately HK\$6 million.

None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended 30 April 2013 as (i) an inducement to join or upon joining our Group; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any members of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any remuneration for each of the three years ended 30 April 2013.

12. Disclosure of interests

(a) *Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and its associated corporations*

So far as our Directors are aware, immediately following completion of the Global Offering and the Capitalisation Issue (taking no account of any shares which may be sold by Red Home pursuant to the exercise of the Over-Allotment Option and any Shares which may be issued and allotted upon the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), the interests and short positions of our Directors and chief executive of our Company in the shares, underlying shares or debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, once the Shares are listed, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to notify our Company and the Stock Exchange once the Shares are listed, will be as follows:

<u>Name of Director</u>	<u>Name of Group member/ associated corporation</u>	<u>Long/Short Position</u>	<u>Capacity/ Nature of Interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding</u>
Mr. Lau (Note 1),.....	Our Company	Long Position	Interest in a controlled corporation	324,000,000	45%
Ms. Ngai (Note 2) ,....	Our Company	Long Position	Interest in a controlled corporation	324,000,000	45%
Mr. Cheng Sing Yuk (Note 3)	Our Company	Long Position	Personal Interest	1,134,000	0.16%

Note 1: As Mr. Lau controls more than one-third of the voting power in general meetings of Hiluleka, he is deemed to be interested in 324,000,000 Shares which will be beneficially owned by Hiluleka upon the Listing.

Note 2: As Ms. Ngai controls more than one-third of the voting power in general meetings of Hiluleka, she is deemed to be interested in 324,000,000 Shares which will be beneficially owned by Hiluleka upon the Listing.

Note 3: Pursuant to the Pre-IPO Share Option Scheme, options to subscribe for a total of 1,134,000 Shares was granted to Mr. Cheng Sing Yuk.

(b) Substantial Shareholders and other interests discloseable under the SFO

So far as is known to our Directors, immediately following completion of the Global Offering and the Capitalisation Issue (taking no account of any shares which may be sold by Red Home pursuant to the exercise of the Over-Allotment Option and any Shares which may be issued upon the exercise of options that have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme), the following persons (other than a Director or the chief executive of our Company) will have an interest or short position in the shares and underlying shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

(i) Long positions in the Shares and underlying Shares of our Company

<u>Name</u>	<u>Long/Short Position</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares (immediately after completion of the Global Offering and the Capitalisation Issue but without taking into account the exercise of the Over-Allotment Option)</u>	<u>Approximate percentage of shareholding (immediately after completion of the Global Offering and the Capitalisation Issue but without taking into account the exercise of the Over-Allotment Option)</u>
Hiluleka.....	Long Position	Beneficial owner	324,000,000	45%
Red Home (Note)...	Long Position	Beneficial owner	180,000,000	25%
Home Holding Guernsey Limited ("Home Holding") (Note)	Long Position	Interest in a controlled corporation	180,000,000	25%
EQT Greater China II (Note)....	Long Position	Interest in a controlled corporation	180,000,000	25%

Note: Since EQT Greater China II holds 100% interest in Home Holding, which in turn holds more than one third of the voting power in general meeting of Red Home, therefore each of EQT Greater China II and Home Holding are deemed to be interested in 25% of the issued share capital of our Company immediately upon completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares which may be sold by Red Home pursuant to the exercise of the Over-Allotment Option and the Shares to be issued upon the exercise of any options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme).

(ii) *Substantial shareholders of other members of our Group*

<u>Name of shareholder</u>	<u>Name of member of our Group</u>	<u>Capacity</u>	<u>Approximate percentage of ownership held by the substantial shareholders</u>
Suen Lap Che.....	JHC (Plastics)	Beneficial owner	40%
Ho Ying Chuen	JHC (Mirror)	Beneficial owner	20%
Kong Suk Ngan	JHC (Mirror)	Beneficial owner	20%
Japan Home Pte. Ltd...	JHC (Singapore)	Controlled corporation	40%
Chin Chain Yong.....	JHC (Malaysia)	Beneficial owner	40.41%
Lin Ming Feng.....	Familj	Beneficial owner	14.4%

13. Disclaimers

- (a) Save as disclosed in “Interests and short positions of our Directors in the shares, underlying shares or debentures in our Company and its associated corporations” in this appendix, and taking no account of any Shares which may be taken up or acquired under the Global Offering or upon the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, none of our Directors or chief executive of our Company has any interest or short position in any shares, underlying shares or debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is 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 in the register referred to therein, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to our Company and the Stock Exchange, in each case once the Shares are listed on the Main Board;
- (b) save as disclosed in “Substantial Shareholders and other interests discloseable under the SFO” in this appendix, and taking no account of any Shares which may be taken up or acquired under the Global Offering or issued upon the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering and the Capitalisation Issue, have an interest or short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be 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 members of our Group;

- (c) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Group and any of our Directors;
- (d) none of our Directors nor any persons referred to in the paragraph headed “Qualifications and consents of experts” in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been within the two years immediately preceding the date of this prospectus acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired, disposed of by or leased to any member of our Group;
- (e) save as disclosed in “Connected Transactions” in this prospectus and the paragraph headed “Summary of material contracts” in this appendix, none of our Directors nor any persons referred to in the paragraph headed “Qualifications and consents of experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole; and
- (f) none of the person referred to in the paragraph headed “Qualifications and consents of experts” in this appendix has any shareholding in any member of our Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

OTHER INFORMATION

14. Share Option Scheme

(a) *Summary of terms*

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by a resolution in writing passed by all Shareholders on 4 September 2013. The following summary does not form, nor is intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

(i) *Purposes of the scheme*

The purpose of the Share Option Scheme is to provide our Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined in paragraph (ii) below) and for such other purposes as the Board may approve from time to time.

(ii) *Who may join*

The Board may, at its discretion, invite any directors (excluding independent non-executive Directors), any senior managers or any employees (whether full-time or part-time) of each member of our Group provided that the Board shall have absolute discretion to determine whether or not one falls within the above categories; (together,

the “Participants” and each a “Participant”), to take up options to subscribe for Shares at a price determined in accordance with paragraph (vi) below. In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

(iii) Conditions

The Share Option Scheme shall take effect subject to the passing of an ordinary resolution approving the adoption of the Share Option Scheme by the Shareholders and authorising our Directors to grant options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any options granted under the Share Option Scheme, and is conditional upon:

- (aa) the Listing Committee granting approval of the listing of, and permission to deal in, (i) the Shares in issue and to be issued as mentioned in this prospectus and (ii) any Shares to be issued pursuant to the exercise of options under the Share Option Scheme, whether the granting of the listing and permission is subject to conditions or not;
- (bb) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Underwriters) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise; and
- (cc) the commencement of dealings in the Shares on the Stock Exchange.

If the above conditions are not satisfied on or before the date which is 90 days after the date of this prospectus, the Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme.

(iv) Duration and Administration

- (aa) Subject to the fulfilment of the conditions in paragraph (iii) above and the termination provisions in paragraph (xvi) below, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on 4 September 2013, after which period no further options will be issued but in all other respects, subject to the compliance with the provisions of Chapter 17 under the Listing Rules, the provisions of the Share Option Scheme shall remain in full force and effect, and options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.
- (bb) The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect (save as otherwise provided in the Share Option Scheme) shall be final and binding on all parties.
- (cc) Subject to compliance with the requirements of the Listing Rules and the provisions of the Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the Share Option Scheme; (ii) to

determine the persons who will be awarded options under the Share Option Scheme and the number of Shares to be issued under the option; (iii) to determine the price per Share at which a Grantee (as defined in paragraph (v) below) may subscribe for Shares on the exercise of an option (the "Subscription Price"); (iv) to make such appropriate and equitable adjustments to the terms of options granted under the Share Option Scheme as it deems necessary; and (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Share Option Scheme.

(v) *Grant of options*

- (aa) On and subject to the requirements of the Listing Rules and the terms of the Share Option Scheme, the Board shall be entitled at any time, within 10 years after 4 September 2013 to make an offer of the grant of an option (the "Offer") to any Participant as the Board may in its absolute discretion select and subject to any such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs (ix) and (x) below) determine at the Subscription Price.
- (bb) No Offer shall 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 pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by our Company to the Stock Exchange in accordance with the Listing Rules) for the approval of our 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 our 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 the results announcement, no option may be granted.
- (cc) An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine (the "Offer Letter") specifying the number of Shares under the option, the Subscription Price, the vesting schedule (if any), the conditions to vesting (if any) and the Option Period (as defined in paragraph (vii) below) and requiring the Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. An Offer must be made on a day (other than a Saturday or a Sunday) on which banks in Hong Kong are generally open for normal banking business and the Stock Exchange is open for business of dealing in securities (a "business day") and shall remain open for acceptance by the Participant concerned for a period (the "Acceptance Period") from the date on which an Offer is made to a Participant (the "Offer Date") to such date as the Board may determine and specify in the Offer Letter (both dates inclusive), provided that no such Offer shall be open for acceptance after the 10th anniversary from 4 September 2013 or after the Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.

- (dd) An Offer shall be deemed to have been accepted by any Participant who accepts the Offer in accordance with the terms of the Share Option Scheme (the “Grantee”) and the option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer Letter comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the granting thereof is received by our Company within the period as stipulated in sub-paragraph (cc) above and the option to which the offer relates shall be deemed to have been granted on the Offer Date. Such remittance shall in no circumstances be refundable or be considered as part of the Subscription Price.
- (ee) Any Offer may be accepted by a Grantee in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of such number of Shares as representing board lot(s) for dealing in Shares on the Stock Exchange or an integral multiple thereof and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter received by our Company as mentioned in sub-paragraph (dd) above. To the extent that the Offer is not accepted within the Acceptance Period and in the manner stipulated in sub-paragraph (dd) above, it will be deemed to have been irrevocably declined by the Grantee and the Offer will automatically lapse and become null and void.
- (ff) Subject to the provisions of the Share Option Scheme and the Listing Rules, the Board may when making the Offer impose any conditions, restrictions or limitations in relation to the option as it may at its absolute discretion think fit.

(vi) Subscription Price

Subject to any adjustments made pursuant to paragraph (xi) below, the Subscription Price in respect of each Share issued pursuant to the exercise of the options granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (aa) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the Offer Date, which must be a business day, or if such date is not a Business Day, the next following business day;
- (bb) a price being the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the Offer Date (provided that the new issue price shall be used as the closing price for any business day falling within the period before the Listing where our Company has been listed for less than 5 business days as at the Offer Date); and
- (cc) the nominal value of a Share.

(vii) Exercise of options

- (aa) An option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (legal or beneficial) in favour of any third party over or in relation to any option or enter into any agreement to do so. Where the Grantee is a company, any change of its controlling shareholders or any substantial change in its management (which is to be determined by the Board at its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid. Where the Grantee is a trust, any change of the beneficiary of the Grantee will be deemed to be a sale or transfer of interest aforesaid. Where the Grantee is a discretionary trust, any change of the discretionary objects of the Grantee will be deemed to be a sale or transfer of interest aforesaid. Any breach of the foregoing by a Grantee shall entitle the Company to forthwith cancel any outstanding option or part thereof of such Grantee (to the extent that it has not already been exercised) without incurring liability on the part of the Company.
- (bb) Unless otherwise determined by the Board and specified in the Offer Letter at the time of the Offer, there is neither any performance target(s) that need to be achieved by the Grantee before an option can be exercised nor any minimum period for which an option must be held before the option can be exercised. An option may be exercised in whole or in part in the manner as set out in the Offer Letter, this sub-paragraph (bb) and the sub-paragraph (cc) below by the Grantee (or his personal representative(s)) giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the total Subscription Price for the Shares and the remittance in respect of which the notice is given. Subject to paragraph (xii) below, within 28 days after receipt of the notice and the remittance, where appropriate, receipt of the certificate of the independent financial adviser or the auditors for the time being of our Company pursuant to paragraph (xi) below, our Company shall allot and issue the relevant Shares to the Grantee (or his personal representative(s)) credited as fully paid and issue to the Grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.
- (cc) Subject to as hereinafter provided and subject to the terms and conditions upon which such option was granted, an option may be exercised by the Grantee at any time during a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an option may be exercised and in any event, such period shall not be longer than 10 years from the Offer Date (the "Option Period") provided that:
- (i) in the event the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, office or appointment, the option granted to such Grantee shall lapse on the date of cessation (to the extent that it has not already been exercised) and will not be exercisable unless the Board otherwise determines to grant an extension at the discretion of

the Board in which event the Grantee may exercise the option in accordance with the provisions of sub-paragraph (bb) above within such period of extension and up to a maximum entitlement directed at the discretion of the Board on the date of grant of extension (to the extent that it has not already been exercised and subject to other terms and conditions decided at the discretion of the Board). For the avoidance of doubt, such period of extension (if any) shall be granted within and in any event ended before the period of 1 month following the date on which the Grantee ceases to be a Participant, which date of cessation shall be the Grantee's last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of employment, office, directorship or appointment as director or employee of the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors or governing body of the relevant company shall be conclusive;

- (ii) in the event the Grantee dies before exercising the option in full and the Grantee remains to be an employee of the Company or a member of the Group before his death, the personal representative(s) of the Grantee shall be entitled within a period of 6 months or such longer period as the Board may determine from the date of death, to exercise the option up to the entitlement of such Grantee at the date of death (to the extent which has become exercisable and not already exercised) or, if appropriate, make an election pursuant to the sub-paragraphs (iii), (iv) or (v) below;
- (iii) if a general offer is made to all the holders of Shares (other than by way of scheme of arrangement pursuant to sub-paragraph (iv) below) (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror (the "Dissenting Shareholders")) and if such offer becomes or is declared unconditional and the offeror is entitled to and does give notice pursuant to the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands to acquire Shares held by the Dissenting Shareholders prior to the expiry of the relevant Option Period, the Grantee (or his personal representative(s)) may by notice in writing to our Company within 21 days of the notice of the offeror exercise the option (to the extent which has become exercisable on the date of the notice of the offeror and not already exercised) to its full extent or to the extent specified in such notice;
- (iv) if a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the Grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by our Company, after which it shall lapse), by notice in writing to the Company, exercise the option (to the extent that it has become exercisable and has not already exercised) to its full extent or to the extent specified in such notice;

- (v) other than a general offer contemplated in sub-paragraph (iii) or (iv) above, if a compromise or arrangement between our Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the Grantee on the same date as it dispatches the notice which is sent to each Shareholder or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options (to the extent that it has become exercisable and has not already been exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and
- (vi) in the event of a notice is given by our Company to the Shareholders to convene a shareholders' meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, our Company shall on the same date as or soon after it dispatches such notice to convene the shareholders' meeting, give notice thereof to all Grantees and thereupon, each Grantees (or their legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to our Company (such notice to be received by our Company not later than 2 business days prior to the proposed general meeting of the Company) exercise the option (to the extent that it has become exercisable and has not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.
- (dd) The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Memorandum and the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after

the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue, provided always that when the date of exercise of the option falls on a date upon which the register of Shareholders is closed then the exercise of the option shall become effective on the first business day in Hong Kong on which the register of Shareholders is re-opened.

(viii) Lapse of options

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

- (aa) the expiry of the Option Period (subject to provisions of sub-paragraph(s) (iv) (aa) and (xiv));
- (bb) the expiry of the period of extension (if any) referred to in sub-paragraph (vii) (cc) (i) above, where applicable;
- (cc) the expiry of the periods referred to in sub-paragraphs (vii) (cc)(ii) or (iii) above;
- (dd) subject to the scheme of arrangement as referred to in sub-paragraph (vii)(cc)(iv) above becoming effective, the expiry of the period referred to in sub-paragraph (vii)(cc)(iv) above;
- (ee) subject to the compromise or arrangement referred to in sub-paragraph (vii)(cc)(v) above becoming effective, the expiry of the period referred to in sub-paragraph (vii)(cc)(v) above;
- (ff) subject to sub-paragraph (vii)(cc)(ii) above, the date on which the Participant ceases to be an employee of the Company or any member of the Group for any reason;
- (gg) the close of 2 business days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- (hh) the date on which the Board exercises the Company's right to cancel the option at any time after the Grantee commits a breach of sub-paragraph (vii) (aa) above; or
- (ii) the date on which the option is cancelled by the Board as provided in paragraph (xv) below.

Our Company shall owe no liability to any Grantee for the lapse of any option under this paragraph (viii).

(ix) *Maximum number of Shares available for subscription*

(aa) Subject to sub-paragraph (bb) below:

- (i) The total number of Shares, which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering and the Capitalisation Issue, which is 72,000,000 Shares, unless our Company obtains a fresh approval from its Shareholders pursuant to sub-paragraphs (ii) or (iii) below. The options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating such 10% limit.
- (ii) Our Company may seek approval of its Shareholders in general meeting for refreshing the 10% limit set out in sub-paragraph (i) above under the Share Option Scheme such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company (or its subsidiary) under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating such limit as refreshed. In such a case, our Company shall send a circular to its Shareholders containing the information and disclaimer required under the Listing Rules.
- (iii) Our Company may seek separate approval by its Shareholders in general meeting for granting options beyond the 10% limit provided that the options in excess of such limit are granted only to Participants specifically identified by our Company before such approval is sought. In such a case, our Company shall send a circular to its Shareholders containing, among other terms, a generic description of the specified Participant(s) who may be granted such options, the number of Shares subject to the options to be granted, the terms of the options to be granted, the purpose of granting options to the specified Participant(s), an explanation as to how the terms of the options serve such purpose and such other information as required under the Listing Rules.

(bb) Notwithstanding any provision in sub-paragraph (aa) above and subject to paragraph (xi), the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not exceed 30% of the Shares in issue from time to time (or such higher percentage as may be allowed under the Listing Rules). No options may be granted under the Share Option Scheme and any other share option schemes of our Company (or its subsidiary) if this will result in such limit being exceeded.

(x) *Maximum entitlement of Shares of each Participant*

- (aa) (i) Subject to sub-paragraphs (ii), (iii) and (iv) below, the total number of Shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
- (ii) Notwithstanding sub-paragraph (i) above, where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of our Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his associates abstaining from voting. The number of shares subject to the options to be granted to such Participant and the terms of the options to be granted to such Participant shall be fixed before shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price. In such a case, our Company shall send a circular to its Shareholders containing, among other terms, the identity of such Participant, the number and the terms of the options to be granted (and options previously granted to such Participant) and such other information as required under the Listing Rules.
- (iii) In addition to the above paragraph (ix) and sub-paragraphs (i) and (ii) above, any grant of options to a Participant who is a director, chief executive or substantial shareholder of our Company or their respective associates must be approved by the independent non-executive Directors of our Company (excluding independent non-executive Director who is a Grantee).
- (iv) In addition to the above paragraph (ix) and sub-paragraphs (i) and (ii) above, where the Board proposes to grant any option to a Participant who is a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, which would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the date of such grant (the "Relevant Date"):
- (aaa) representing in aggregate more than 0.1% of the total number of Shares in issue on the Relevant Date; and

(bbb) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Relevant Date in excess of HK\$5,000,000,

such proposed grant of options must be approved by the Shareholders in general meeting. In such a case, our Company shall send a circular to its Shareholders containing all those information as required under the Listing Rules. All connected persons of our Company must abstain from voting in favour of the resolution at such general meeting (except that any connected person may vote against the relevant resolution provided that his intention to do so has been stated in the circular). Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

(bb) Subject to the above sub-paragraphs (ix) (aa), (ix) (bb) and (x) (aa), in the event of any alteration in the capital structure of our Company whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of our Company or otherwise howsoever (other than as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in the above sub-paragraphs (ix) (aa), (ix) (bb) and (x) (aa) will be adjusted in such manner as an independent financial adviser or the auditors for the time being of our Company (acting as experts and not as arbitrators) shall confirm to the directors of our Company in writing to be fair and reasonable and in compliance with the requirements under the Listing Rules.

(xi) Alteration of capital structure

In the event of any alteration in the capital structure of our Company whilst any option remains vested or has vested but not yet exercised, whether by way of capitalisation issue, rights issue, open offer, subdivision, consolidation, or reduction of the share capital of our Company or otherwise howsoever in accordance with the applicable legal requirements and requirements of the Stock Exchange (excluding any alteration in the capital structure of our Company as consideration in respect of a transaction to which our Company or any of its subsidiaries is a party or in connection with any share option or other equity incentive scheme of the Company), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the option so far as unexercised or exercised; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the option (if applicable);

as an independent financial adviser or the auditors for the time being of our Company shall at the request of the Board certify in writing to the directors of our Company, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give a Grantee the same proportion of the issued share capital of our Company as that to which the Grantee was previously entitled, provided that no such alterations shall be made the effect of which

would be to enable a Share to be issued at less than its nominal value. The capacity of the independent financial adviser or the auditors for the time being of our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the Grantees. The costs of the independent financial adviser or the auditors for the time being of our Company shall be borne by our Company. Notice of such alteration(s) shall be given to the Grantees by our Company.

(xii) Share Capital

The exercise of any option shall be subject to the Shareholders in a general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of our Company to meet subsisting requirements on the exercise of options.

(xiii) Disputes

Any dispute arising in connection with the Share Option Scheme (whether as to the number of Shares, the amount of the Subscription Price or otherwise) shall be referred to the decision of the independent financial adviser appointed by our Company or the auditors for the time being of the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding.

(xiv) Alteration of the Share Option Scheme

(aa) The provisions of the Share Option Scheme may be altered in any respect by resolution of the Board at its absolute discretion except that the provisions of the Share Option Scheme as to:

- (i) the definitions of “Participant”, “Grantee” and “Option Period” in paragraph (ii), sub-paragraphs (v) (dd) and (vii) (cc);
- (ii) the provisions of the above sub-paragraphs (iv) (aa), (v) (aa), (bb) and (cc), paragraphs (vi), (vii), (viii), (ix), (x) and (xi) and this paragraph (xiv); and
- (iii) all such other matters set out in Rule 17.03 of the Listing Rules,

shall not be altered to the advantage of the Participants except with the prior approval of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected Grantees as would be required of the Shareholders under the Articles for a variation of the rights attached to the Shares.

(bb) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of the options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

(cc) The amended terms of the Share Option Scheme or the options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

(dd) Any change to the authority of the directors of our Company or scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

(xv) Cancellation of the options granted

The Board may, at any time at its absolute discretion cancel any option granted but not exercised. Where our Company cancels options and makes an Offer of the grant of new options to the same option holder, the Offer of the grant of such new options may only be made, under the Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the limit approved by the Shareholders as mentioned in the above paragraph (ix).

(xvi) Termination of the Share Option Scheme

Our Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme, and options which are granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme and their terms of issue.

(b) Present status of the Share Option Scheme

(i) Application for approval

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

(ii) Grant of option

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

(iii) Value of options

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

calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

15. Pre- IPO Share Option Scheme

A share option scheme was adopted in 2010 by Matusadona (the “2010 Scheme”) with the aim to incentivize our employees. Immediately prior to completion of the Global Offering, Matusadona will terminate the 2010 Scheme and all participants will be transferred to the Pre-IPO Share Option Scheme. Pursuant to the written resolutions of the shareholders of our Company passed on 4 September 2013, the rules of the Pre-IPO Share Option Scheme were conditionally approved and adopted. The principal terms of the Pre-IPO Share Option Scheme are substantially similar as the terms of the Share Option Scheme except that:

- (a) the total number of Shares which may be issued upon the exercise of all options granted under the Pre-IPO Share Option Scheme is 8,424,000 Shares, representing approximately 1.17% of the enlarged issued share capital of the Company immediately following completion of the Global Offering and the Capitalisation Issue (without taking into account any Shares which may be issued and allotted upon the exercise of any options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme);
- (b) save for the options which have been conditionally granted before the date of this prospectus, no further options will be granted under the Pre-IPO Share Option Scheme on or before the Listing Date; and
- (c) the period during which an option under the Pre-IPO Share Option Scheme may be exercised shall not be longer than 8 years from the Listing Date.

Application has been made to the Listing Committee of the Stock Exchange for the approval of listing of and permission to deal in the 8,424,000 Shares to be issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme.

Outstanding options under the Pre-IPO Share Option Scheme

As at the date of this prospectus, options to subscribe for an aggregate of 8,424,000 Shares (representing approximately 1.17% of the enlarged issued share capital of our Company immediately after completion of the Global Offering and the Capitalisation Issue, without taking into account any Shares which may be issued and allotted upon any exercise of the options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme) have been granted under the Pre-IPO Share Option Scheme. All the options under the Pre-IPO Share Option Scheme were conditionally granted on or before the date of this prospectus and no further options will be granted under the Pre-IPO Share Option Scheme prior to the Listing Date.

Particulars of the outstanding options conditionally granted under the Pre-IPO Share Option Scheme are set out below:–

Name of Grantee	Residential Address	Position	Exercise prices (HK\$)	Exercisable periods	Number of underlying Shares subject to outstanding options	Number of underlying Shares to be issued upon full exercise of the options under the Pre-IPO Share Scheme	Approximate percentage of issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue (Note)					
Executive Director												
Cheng Sing Yuk	Flat 13B, Blk 3, 180 Pokfulam Road, H.K.	Executive Director and Financial Controller	1.04	Listing Date – 11.10.2018 12.10.2013 – 11.10.2018	178,200 91,800							
			1.39	Listing Date – 11.10.2019 12.10.2013 – 11.10.2019 12.10.2014 – 11.10.2019	142,560 142,560 146,880							
		1.86	16.10.2013 – 15.10.2020 16.10.2014 – 15.10.2020 16.10.2015 – 15.10.2020	142,560 142,560 146,880								
		Sub-total		1,134,000	0.158%							
		Senior Management										
		Cheng Mei Chun, Ina	15A Tower 5, South Horizons, Apleichau, H.K.	Chief Operating Officer	1.39			Listing Date – 30.4.2020 1.5.2014 – 30.4.2020 1.5.2015 – 30.4.2020	142,560 142,560 146,880			
					1.86			16.10.2013 – 15.10.2020 16.10.2014 – 15.10.2020 16.10.2015 – 15.10.2020	267,300 267,300 275,400			
Sub-total					1,242,000	0.173%						
Tam Siu Wan												
Flat G, 8/F, Blk 5, Flora Plaza, Fanling, H.K.	General Manager (HR & Operation)				1.04	Listing Date – 11.10.2018 12.10.2013 – 11.10.2018	178,200 91,800					
		1.39	Listing Date – 11.10.2019 12.10.2013 – 11.10.2019 12.10.2014 – 11.10.2019	89,100 89,100 91,800								
		1.86	16.10.2013 – 15.10.2020 16.10.2014 – 15.10.2020 16.10.2015 – 15.10.2020	89,100 89,100 91,800								
		Sub-total		810,000	0.113%							
		Cheung Wai Hung										
		Flat A, 10/F, Newton Harbour View Tower 2, 2 Shaukeiwan Main Street East, Shaukeiwan, H.K.	Senior Merchandising Manager	1.04	Listing Date – 11.10.2018 12.10.2013 – 11.10.2018	178,200 91,800						
1.39	Listing Date – 11.10.2019 12.10.2013 – 11.10.2019 12.10.2014 – 11.10.2019			89,100 89,100 91,800								
1.86	16.10.2013 – 15.10.2020 16.10.2014 – 15.10.2020 16.10.2015 – 15.10.2020			89,100 89,100 91,800								
Sub-total				810,000	0.113%							

Name of Grantee	Residential Address	Position	Exercise prices (HK\$)	Exercisable periods	Number of underlying Shares subject to outstanding options	Pre-IPO Share Scheme	Approximate percentage of issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue <i>(Note)</i>
Man Siu Ling	Rm6, 12/F, Blk B, New Town Mansion, 2 Tuen Lee Street, N.T.	Senior Merchandising Manager	1.04	Listing Date – 11.10.2018	178,200		
				12.10.2013 – 11.10.2018	91,800		
			1.39	Listing Date – 11.10.2019	89,100		
				12.10.2013 – 11.10.2019	89,100		
				12.10.2014 – 11.10.2019	91,800		
			1.86	16.10.2013 – 15.10.2020	89,100		
				16.10.2014 – 15.10.2020	89,100		
	16.10.2015 – 15.10.2020	91,800					
				Sub-total	810,000	0.113%	
Wong Kin Man	Flat F, 20/F, Lime Stardom, 1 Larch Street, Tai Kok Tsui, Kowloon, H.K.	Senior IT Manager	1.04	Listing Date – 11.10.2018	178,200		
				12.10.2013 – 11.10.2018	91,800		
			1.39	Listing Date – 11.10.2019	89,100		
				12.10.2013 – 11.10.2019	89,100		
				12.10.2014 – 11.10.2019	91,800		
			1.86	16.10.2013 – 15.10.2020	89,100		
				16.10.2014 – 15.10.2020	89,100		
	16.10.2015 – 15.10.2020	91,800					
				Sub-total	810,000	0.113%	
Yip Yee Fan, Sandra	10G, Blk 2, South Horizons, Apleichau, H.K.	Senior Manager, Overseas Business Development	1.04	Listing Date – 11.10.2018	178,200		
				12.10.2013 – 11.10.2018	91,800		
			1.39	Listing Date – 11.10.2019	53,460		
				12.10.2013 – 11.10.2019	53,460		
				12.10.2014 – 11.10.2019	55,080		
			1.86	16.10.2013 – 15.10.2020	53,460		
				16.10.2014 – 15.10.2020	53,460		
	16.10.2015 – 15.10.2020	55,080					
				Sub-total	594,000	0.083%	
Cheng Mei Lit	Flat K, 1/F Block K Bauhinia Gdn, 11 Tong Chun St, Tseung Kwan O, N.T.	Head of Retail Operation (Singapore and Malaysia)	1.86	16.10.2013 – 15.10.2020	35,640		
				16.10.2014 – 15.10.2020	35,640		
				16.10.2015 – 15.10.2020	36,720		
							Sub-total
Other Employees							
Lin Mai Na	8FL-3, No.77-3 Chung Cheng East Road, Sec 2 Danshui New Taipei City, Taiwan ROC	Head of Purchasing (Greater China Division)	1.39	Listing Date – 11.10.2019	89,100		
				12.10.2013 – 11.10.2019	89,100		
				12.10.2014 – 11.10.2019	91,800		
			1.86	16.10.2013 – 15.10.2020	89,100		
				16.10.2014 – 15.10.2020	89,100		
				16.10.2015 – 15.10.2020	91,800		
				Sub-total	540,000	0.075%	

Name of Grantee	Residential Address	Position	Exercise prices (HK\$)	Exercisable periods	Number of underlying Shares subject to outstanding options	Number of underlying Shares to be issued upon full exercise of the options under the Pre-IPO Share Scheme	Approximate percentage of issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue (<i>Note</i>)
Woo Yau Shing	Flat A, 1/F Tower 4 Greenery Place, No 1 Town Park Road South, Yuen Long, N.T.	Senior Group Marketing and VM Manager	1.39	Listing Date – 11.10.2019	53,460	324,000	0.045%
				12.10.2013 – 11.10.2019	53,460		
			12.10.2014 – 11.10.2019	55,080			
		1.86	16.10.2013 – 15.10.2020	53,460			
			16.10.2014 – 15.10.2020	53,460			
			16.10.2015 – 15.10.2020	55,080			
Sub-total							
Wong Chak Yiu	Flat H, 13/F, Blk 3, Tanner Gardens, 18 Tanner Road, H.K.	Senior Administration Manager	1.39	Listing Date – 11.10.2019	53,460	324,000	0.045%
				12.10.2013 – 11.10.2019	53,460		
			12.10.2014 – 11.10.2019	55,080			
		1.86	16.10.2013 – 15.10.2020	53,460			
			16.10.2014 – 15.10.2020	53,460			
			16.10.2015 – 15.10.2020	55,080			
Sub-total							
Leung Man Wai Simon	Flat E, 33/F, Blk 5, Tsui Ning Garden, Tuen Mun, N.T.	Project Manager	1.39	Listing Date – 11.10.2019	53,460	324,000	0.045%
				12.10.2013 – 11.10.2019	53,460		
			12.10.2014 – 11.10.2019	55,080			
		1.86	16.10.2013 – 15.10.2020	53,460			
			16.10.2014 – 15.10.2020	53,460			
			16.10.2015 – 15.10.2020	55,080			
Sub-total							
To Yuet Ling	Flat D, 7/F Blk 12, Fu Yar Yuen, 12 Chi Fu Road, H.K.	Senior Leasing Manager	1.39	Listing Date – 11.10.2019	53,460	324,000	0.045%
				12.10.2013 – 11.10.2019	53,460		
			12.10.2014 – 11.10.2019	55,080			
		1.86	16.10.2013 – 15.10.2020	53,460			
			16.10.2014 – 15.10.2020	53,460			
			16.10.2015 – 15.10.2020	55,080			
Sub-total							
Lee Chui Har, Anita	9C Block 1, 18 Tsui Wan Street, Chai Wan, H.K.	Senior Human Resources Manager	1.86	16.10.2013 – 15.10.2020	53,460	162,000	0.023%
				16.10.2014 – 15.10.2020	53,460		
				16.10.2015 – 15.10.2020	55,080		
Sub-total							
Chan Ka Lok	Flat E, 22/F, Block 1 Tai Wo Centre, Tai Po Tai Wo Road, Tai Po, N.T.	Senior Merchandising Manager	1.86	16.10.2013 – 15.10.2020	35,640	108,000	0.015%
				16.10.2014 – 15.10.2020	35,640		
				16.10.2015 – 15.10.2020	36,720		
			Sub-total				
Total					8,424,000	1.17%	

Note: Without taking into account any Shares which may be issued and allotted upon any exercise of the options which have been or may be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme.

Immediately following completion of the Global Offering and the Capitalisation Issue, the shareholding of the Shareholders would be diluted by approximately 1.17%.

Save as disclosed above, no other options have been granted or agreed to be granted by our Company under the Pre-IPO Share Option Scheme as at the date of this prospectus.

16. Tax and other indemnities and estate duty

The Controlling Shareholders and Red Home have, pursuant to the deed of indemnity referred to in sub-paragraph (f) of the paragraph headed “Summary of material contracts” of this Appendix, collectively given indemnities in respect of, among other things:

- (a) taxation resulting from income, profits or gains earned, accrued or received on or before the date on which all of the conditions stated in the Underwriting Agreements having been fulfilled or waived prior to 8:00 a.m. on the Listing Date (the “Fulfilment Date”), save in the following circumstances:
 - (i) to the extent that full provision has been made for such liability, taxation or taxation claim in the audited combined accounts of the members of our Group or any of them for the Track Record Period;
 - (ii) to the extent that the taxation arises in the ordinary course of business of our Group and falls on any of the members of our Group in respect of their current accounting periods or any accounting period commencing on or after the Fulfilment Date;
 - (iii) to the extent that provision or reserve made for taxation in the audited accounts of the members of our Group or any of them for the Track Record Period are finally established to be an over-provision or an excessive reserve provided that the amount established to be the excessive portion of the over-provision or the excessive reserve shall only be applied to reduce the Controlling Shareholders’ liability in respect of taxation up to HK\$1,648,000; or
 - (iv) to the extent that any increase in the taxation claim or the amount of any increase in any taxation claim to the extent that such taxation claim or such increased amount of the taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any change in the law or regulations or in the rate of taxation coming into force on or after the Fulfilment Date with retrospective effect;
- (b) any penalties, claims, actions, payments, demands, proceedings, judgments, settlement payments, losses, liabilities, damages, costs, charges, fees, expenses or fines (other than those having been paid or duly and sufficiently provided in the Accountant’s Report set out in Appendix I to this prospectus) suffered or incurred by our Company and/or the relevant members of our Group as a result of directly or indirectly, or in connection with any failure or delay in attending tax filing in respect of the taxable income derived by any members of our Group on or before the Fulfilment Date;
- (c) any claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses or fines of whatever nature suffered or incurred by our Company and/or the relevant members of our Group, as a result of directly or indirectly

or in connection with any non-compliance with the applicable laws, rules, code of conduct or regulations (including but not limited to the SFO) in relation to events occurred on or before the Fulfilment Date; or

- (d) any claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses or fines suffered or incurred by our Company and/or the relevant members of our Group as a result of directly or indirectly or in connection with any litigation, proceeding, claim, investigation, inquiry, enforcement proceeding or process by any governmental, administrative or regulatory body which (i) members of our Group, their respective directors and/or licenced representatives or any of them is/ are involved; and/or (ii) arises due to some act or omission of, or transaction voluntarily effected by, members of our Group or any of them (whether alone or in conjunction with some other act, omission or transaction) on or before the Fulfilment Date.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands or Hong Kong is likely to fall on our Group.

17. Litigation

Neither our Company nor any of its subsidiaries is engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company or any member of our Group that would have a material adverse effect on the results of operations or financial condition of our Group.

18. Promoter

The Company has no promoter for the purpose of the Listing Rules. No cash, securities or other benefit had been paid, allotted or given within two years preceding the date of this prospectus, or proposed to be paid, allotted or given, to any promoter in connection with the Global Offering or the related transactions described in this prospectus.

19. Personal guarantees and mortgages

All personal guarantees given by two of our Directors and mortgages over real properties owned by them as security for any debts or liabilities incurred by any member of our Group will be released and replaced by corporate guarantees if the Listing occurs. Accordingly, none of our Directors will provide any personal guarantee as security for any debts or liabilities incurred by any member of our Group if the Listing occurs.

20. Agency fees or commissions received

The Underwriters will receive an underwriting commission, as mentioned in the section headed "Underwriting – Commission and Expenses" in this prospectus.

21. Related party transactions

During the two years immediately preceding the date of this prospectus, our Group engaged in the related party transactions as mentioned in Note 34 of the section headed "Significant Related Party Transactions" of the Accountant's Report set out in Appendix I to this prospectus and the section headed "Connected Transactions" of this prospectus.

22. Preliminary expenses

The preliminary expenses of our Company were estimated to be approximately HK\$40,000 and were payable by our Group.

23. Selling Shareholder

Name:	Red Home
Place of incorporation:	Cayman Islands
Registered office:	Fourth Floor, One Capital Place P.O. Box 847, Grand Cayman KY1-1103, Cayman Islands
Nature of business:	Investment holding
Number of Shares to be sold:	36,000,000 Shares if the Over-Allotment Option is not exercised or up to 68,400,000 Shares if the Over-Allotment Option is fully exercised

24. Qualifications and consents of experts

The qualifications of the experts who have given opinions or whose advices and names are referred to in this prospectus are as follows:

Name	Qualification
BOCI Asia Limited	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) of the regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-laws
Fangda Partners	PRC legal advisers
Adnan Sundra & Low	West Malaysian legal advisers
Russell Bedford Hong Kong Limited	Hong Kong tax adviser and representative
American Appraisal China Limited	Independent property valuer

Each of BOCI Asia Limited, PricewaterhouseCoopers, Conyers Dill & Pearman (Cayman) Limited, Fangda Partners, Adnan Sundra & Low, Russell Bedford Hong Kong Limited and American Appraisal China Limited has given and has not withdrawn its written consents to the

issue of this prospectus with the inclusion of its reports and/or letters and/or valuation and/or opinions (as the case may be) and/or the references to its name in the form and context in which they are respectively included.

None of BOCI Asia Limited, PricewaterhouseCoopers, Conyers Dill & Pearman (Cayman) Limited, Fangda Partners, Adnan Sundra & Low, Russell Bedford Hong Kong Limited and American Appraisal China Limited:

- (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
- (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.

25. Binding effect

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

26. Bilingual prospectus

Pursuant to Rule 11.14 of the Listing Rules and section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this prospectus are being published separately but are available to the public at the same time.

27. Miscellaneous

- (a) Save as disclosed in “History and Development, Reorganisation and Group Structure”, “Share Capital”, “Underwriting”, “Structure of the Global Offering” and in this appendix, within the two years preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of its subsidiaries had been issued or agreed to be issued or was proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of its subsidiaries was under option or was agreed conditionally or unconditionally to be put under option;
 - (iii) no commission had been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any share in our Company or any of its subsidiaries;
 - (iv) no commissions, discounts, brokerages or other special terms had been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries; and
 - (v) Our Directors have confirmed that there had not been any interruption in the business of our Group which might have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

- (b) Our Company has no founder, management or deferred shares.
- (c) No securities of our Group are listed, and no listing of any such securities is proposed to be sought, on any other stock exchange.
- (d) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.
- (e) Our Group had not issued any debentures nor did it have any outstanding debentures nor any convertible debt securities as at the Latest Practicable Date.
- (f) There are no arrangements in existence under which future dividends are to be or agreed to be waived.