

INFORMATION ABOUT OUR COMPANY**1. Incorporation of our Company**

The Company was incorporated in Hong Kong with limited liability under the Companies Ordinance on 8 October 2004. Our registered office as at date of this prospectus is at Room 1205-06, 12 Floor, Cigna Tower, 482 Jaffe Road, Causeway Bay, Hong Kong. A summary of our Articles of Association is set out in Appendix III.

2. Changes in share capital of our Company*(a) Increase in authorised share capital*

- (i) As at the date of incorporation of our Company on 8 October 2004, our authorised share capital was HK\$10,000 divided into 10,000 shares of HK\$1.0 each.
- (ii) Every share of HK\$1.0 each in the issued and unissued share capital of our Company was subdivided into 1,000 shares of HK\$0.001 each, and the authorised share capital of our Company was increased from HK\$10,000 divided into 10,000,000 shares of HK\$0.001 each to HK\$4,000,000 divided into 4,000,000,000 shares of HK\$0.001 each by the creation of 3,990,000,000 shares of HK\$0.001 each pursuant to resolutions passed by the Shareholders on 28 October 2013, the details of which are set out in paragraph 3A below.
- (iii) Immediately following completion of the Capitalisation Issue and the Global Offering (taking no account of any Shares which may be allotted and issued pursuant to the exercise of the options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme and upon the exercise of the Over-allotment Option), the authorised share capital of our Company will be HK\$4,000,000 divided into 4,000,000,000 Shares, of which 800,000,000 Shares will be issued, fully paid or credited as fully paid, and 3,200,000,000 Shares will remain unissued.

Other than pursuant to the exercise of the Over-allotment Option and the exercise of any options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme, there is no present intention to issue any 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 disclosed herein and in sections headed “Information about our Company — 3A. Resolutions in writing of the Shareholders passed on 28 October 2013, 3B. Resolutions in writing of the Shareholders passed on 15 November 2013 and 4. Group reorganisation” in this Appendix, there has been no alteration in the share capital of our Company since its incorporation.

(b) Founder shares

The Company has no founder shares, management shares or deferred shares.

3A. Resolutions in writing of the Shareholders passed on 28 October 2013

Written resolutions were passed by the Shareholders on 28 October 2013 pursuant to which, among other matters:

- (a) every share of HK\$1.00 each in the issued and unissued share capital of our Company was subdivided into 1,000 shares of HK\$0.001 each; and

- (b) the authorised share capital of our Company was increased from HK\$10,000 divided into 10,000,000 shares of HK\$0.001 each to HK\$4,000,000 divided into 4,000,000,000 shares of HK\$0.001 each by the creation of 3,990,000,000 shares of HK\$0.001 each.

3B. Resolutions in writing of the Shareholders passed on 15 November 2013

Written resolutions were passed by the Shareholders on 15 November 2013 pursuant to which, among other matters:

- (a) our Company approved and adopted the Articles of Association conditional upon and with effect from the listing of the Shares on the Stock Exchange on the Listing Date;
- (b) the rules of the Pre-IPO Share Option Scheme, the principal terms of which are set out in paragraph 15B of this Appendix, were approved and adopted, and at the Directors' absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Pre-IPO Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to implement the Pre-IPO Share Option Scheme;
- (c) conditional on (aa) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus; (bb) the Offer Price having been determined; (cc) the execution and delivery of the Underwriting Agreements on or before the date as mentioned in this prospectus; and (dd) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the day falling 30 days after the date of this prospectus:
- (i) the Global Offering and the Over-allotment Option were approved and the Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;
- (ii) the rules of the Share Option Scheme, the principal terms of which are set out in paragraph 15A of this Appendix, were approved and adopted and the Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at the Directors' absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to implement the Share Option Scheme;
- (iii) conditional on the share premium account of our Company being credited as a result of the Global Offering, the Directors were authorised to capitalise HK\$598,823 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 598,823,000 Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company at the close of business on 15 November 2013 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing holdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution should rank *pari passu* in all respects with the then existing issued Shares and the Directors were authorised to give effect to such capitalisation;
- (iv) a general unconditional mandate was given to the Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the

whole or in part of any dividend in accordance with the Articles of Association, or pursuant to the exercise of any options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme, or under the Capitalisation Issue or the Global Offering or upon the exercise of the Over-allotment Option, Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Capitalisation Issue and the Global Offering but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme, and (bb) the aggregate nominal amount of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to the Directors as referred to in sub-paragraph (v) 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 the Articles of Association, the Companies Ordinance or any other applicable Hong Kong law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first;

- (v) a general unconditional mandate was given to the Directors to exercise all powers of our Company to purchase or repurchase Shares on the Stock Exchange or other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the Capitalisation Issue and the Global Offering but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option or any options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Ordinance, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first; and
 - (vi) the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph (iv) above to include the nominal amount of Shares which may be purchased or repurchased pursuant to paragraph (v) above.
- (d) our Company approved the form and substance of each of the service agreements made between the executive Directors and our Company, and the form and substance of each of the appointment letters made between each of our independent non-executive Directors with our Company.

4. Group reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group's structure in preparation for the listing of the Shares on the Stock Exchange. For more details regarding the Reorganisation, please refer to section headed "History and Corporate Structure – Reorganisation" in this prospectus.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountant's Report set out in Appendix I to this prospectus.

Save as disclosed herein and in paragraph 4 of this Appendix, the following alterations in the share capital of each of our Company's subsidiaries took place within the two years immediately preceding the date of this prospectus:

- On 4 May 2012, Goldpac Secur-Card acquired the entire equity interest of Goldpac Guangzhou from Goldpac Golden Card Equipment Co., Ltd. for a consideration of RMB1 million.
- On 27 September 2013, the registered capital of Goldpac Secur-Card was increased from US\$11,900,000 to US\$21,000,000.

6. Further information about the Group's PRC establishment

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

(a) Goldpac Secur-Card

Name of the enterprise:	珠海市金邦達保密卡有限公司 (Goldpac Secur-Card Zhuhai Limited)
Registered address:	Goldpac Building, Fuxi, Qianshan Zhuhai, Guangdong Province, P.R.C. (廣東省珠海市前山福溪金邦達大廈)
Date of establishment:	21 June 1995
Economic nature:	Wholly foreign-owned enterprise
Registered owner:	Gemplus Goldpac Group Limited
Registered capital:	US\$21,000,000 (fully paid up)
Attributable interest to the Group:	100%
Term of operation:	21 June 1995 to 21 June 2045

(b) Goldpac Guangzhou

Name of the enterprise:	廣州市金邦達智能卡有限公司 (Goldpac Smart Card (Guangzhou) Limited*)
Registered address:	Room 1003, No. 20 Lian Street Yiyuan Road, Haizhu District Guangzhou, Guangdong Province P.R.C. (廣東省廣州市海珠區藝苑路利安街20號1003房)
Date of establishment:	2 September 2010
Economic nature:	Limited liability company
Registered owner:	Goldpac Secur-Card Zhuhai Limited
Registered capital:	RMB1,000,000 (fully paid up)
Attributable interest to the Group:	100%
Term of operation:	2 September 2010 to 7 March 2015

7. Securities repurchase mandate

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

(a) Shareholders' approval

All proposed repurchases of securities (which must be fully paid up in the case of shares) by a company listed on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholder, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution in writing passed by the Shareholders on 15 November 2013, the Repurchase Mandate was given to the Directors authorising any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC of Hong Kong and the Stock Exchange for this purpose, of up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Capitalisation Issue and the Global Offering but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, the Pre-IPO Share Option Scheme and the Share Option Scheme, such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Ordinance or applicable Hong Kong law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and Articles of Association and the Listing Rules and the applicable laws of Hong Kong. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in

accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any repurchases by us may be made out of our funds which would otherwise be available for dividend or distribution or out of the proceeds of a new issue of shares made for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of the shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our share premium account.

(c) Reasons for repurchases

The Directors believe that it is in the best interest of our Company and the Shareholders for the Directors to have general authority from the Shareholders to enable our Company to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit our Company and the Shareholders.

(d) Funding of repurchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of Hong Kong.

On the basis of the current financial position of the Group as disclosed in this prospectus and taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of the Group as compared with the position disclosed in this prospectus. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Group or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Group.

The exercise in full of the Repurchase Mandate, on the basis of 800,000,000 Shares in issue immediately after the Listing, would result in up to 80,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(e) General

None of the 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 our subsidiaries.

The 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 Articles of Association and the applicable laws of Hong Kong.

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

The Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of

Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

No connected person (as defined in the Listing Rules) 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 if the Repurchase Mandate is exercised.

FURTHER INFORMATION ABOUT THE BUSINESS OF THE COMPANY

8. Summary of material contracts

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

- (a) a restructuring deed dated 29 March 2011 and entered into among GISA, Gemalto, GIHL and Goldpac Golden Card Equipment Co. Ltd (珠海市金邦達金卡片設備有限公司), pursuant to which the parties agreed to restructure the ownership of our Company and to re-define the relationship between the parties in the management and operation of our Company and its subsidiaries;
- (b) a shareholders agreement dated 29 March 2011 and entered into among GISA, GIHL and our Company, pursuant to which the parties agreed to supersede and replace a shareholders agreement dated 17 December 2004 among the same parties and to set out the terms governing the relationship of GISA and GIHL as shareholders of our Company;
- (c) a settlement agreement dated 29 March 2011 and entered into among GISA, Gemalto, GIHL and Chairman Lu, pursuant to which the parties agreed to reach a full and final settlement in respect of certain proceedings in the PRC among the parties and their associates;
- (d) a trademark license agreement dated 29 March 2011 and entered into between GIHL as the licensor and our Company, Goldpac Secur-Card and Goldpac Datacard as the licensees, pursuant to which GIHL agreed to grant the licensees an exclusive license to use the Trademarks up to the date of the Listing at nil consideration;
- (e) an equity transfer agreement dated 4 May 2012 and entered into between Goldpac Golden Card Equipment Co. Ltd (珠海市金邦達金卡片設備有限公司) and Goldpac Secur-Card, pursuant to which Goldpac Golden Card Equipment Co. Ltd (珠海市金邦達金卡片設備有限公司) transferred the entire equity interest in Goldpac Guangzhou to Goldpac Secur-Card for a consideration of RMB1 million;
- (f) a subscription agreement dated 3 July 2013 and entered into between our Company and BOCI Investment, pursuant to which our Company agreed to issue and allot and BOCI Investment agreed to subscribe 177 ordinary shares of par value HK\$1.0 per share of our Company for a consideration of the HK dollar equivalent of RMB187 million;
- (g) an amended and restated shareholders agreement dated 3 July 2013 and entered into among GISA, BOCI Investment, GIHL and our Company, pursuant to which the parties agreed to supersede and replace the shareholders agreement dated 29 March 2011 and to set out the terms governing the relationship of GISA, BOCI Investment and GIHL as shareholders of our Company;
- (h) a trademarks assignment and license agreement dated 15 November 2013 and entered into between GIHL and our Company pursuant to which (i) GIHL agreed to assign all its rights, title and interest in the Assigned Properties (as defined therein) to our Company; and (ii) after termination of the Trademark Licence Agreement (as defined therein) and pending completion of the registration of the assignment of the Assigned Properties, GIHL agreed to grant an exclusive licence to our Company to use the Assigned Properties in accordance with the terms therein for a consideration of US\$3 million;

- (i) the Deed of Non-competition;
- (j) the Deed of Indemnity;
- (k) the Hong Kong Underwriting Agreement.

9. Property

As at the Latest Practicable Date, the Group had 3 owned properties and 12 leased properties which are used for manufacturing, warehouse, office and staff quarters purposes. No single property interest that forms part of its non-property activities has a carrying amount of 15% or more of the Group's total assets. The owned properties with total gross floor area of approximately 25,000 square metres, and the leased properties with total gross floor area of approximately 4,399.5 square metres. The terms of the leases for the leased properties are between approximately 1 year and 4 years.

The table below set out the details of the owned properties of the Group:

Property	Use	Area (sq. m.)	Ownership
Goldpac Building, Fuxi Qianshan, Zhuhai Guangdong Province P.R.C. (廣東省珠海市前山福溪金邦達大廈)	Industrial	3,024.2	Goldpac Secur-Card
Plant Phase II No. 222 Jinfeng Road Zhuhai Guangdong Province P.R.C. (廣東省珠海市金鳳路222號二期廠房)	Industrial	10,460.1	Goldpac Secur-Card
Building 3 No. 222 Jinfeng Road Xiangzhou District Zhuhai Guangdong Province P.R.C. (廣東省珠海市香洲區金鳳路222號3棟)	Industrial	11,430.3	Goldpac Secur-Card

The table below set out the details of the leased properties of the Group:

Property	Use	Area (sq. m.)	Lease duration	Lessor	Lessee
Floor 9, No. 20 Chaoyangmenwai Avenue (Union Mansion), Chaoyang District, Beijing (北京市朝陽區朝陽門外大街20號(聯合大廈)第9層)	Office	299.9	2011.2.18 to 2014.5.31	Beijing Industrial Company (北京實業開發總公司)	Goldpac Secur-Card
Room 03, Floor 9, No. 20 Chaoyangmenwai Avenue (Union Mansion), Chaoyang District, Beijing (北京市朝陽區朝陽門外大街20號(聯合大廈)第9層03號)	Office	299.9	2013.3.11 to 2014.5.31	Beijing Industrial Company (北京實業開發總公司)	Goldpac Secur-Card

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STATUTORY AND GENERAL INFORMATION

Property	Use	Area (sq. m.)	Lease duration	Lessor	Lessee
Room 04A, Floor 9, No. 20 Chaoyangmenwai Avenue (Union Mansion), Chaoyang District, Beijing (北京市朝陽區朝陽門外大街20號(聯合大廈)第9層04A號)	Office	223.9	2012.3.16 to 2014.5.31	Beijing Industrial Company (北京實業開發總公司)	Goldpac Secur-Card
Room 7G, Block A, Marriottn Apartment, No. 5 Lingtongguan, Yong'an Li West, Chaoyang District, Beijing (北京市朝陽區永安西里靈通觀5號萬豪國際公寓A座7G號)	Residential	116.2	2009.12.5 to 2013.12.4	Derun Real Estate Development Group Company Ltd. (德潤房地產開發集團有限公司)	Goldpac Secur-Card
Room B, 1403, Block B, Kaiyue Shidai, No. 28 Baiyun Road, Kunming (昆明市白雲路28號凱悅時代B-B1403室)	—	122.0	2012.8.21 to 2014.8.21	Yan Jianglin (顏江林) Mao Zichang (毛紫嫻)	Goldpac Secur-Card
Room 805, Floor 8, Hongyuan Building, No. 52 Nanjing South Street, Heping District, Shengyang (瀋陽市和平區南京南街52號鴻源大廈第8層805號房)	Office	41.0	2013.1.1 to 2013.12.31	Shenyang Jianxingyuan Investment Management Company Ltd. (瀋陽市建興源投資管理有限公司)	Goldpac Secur-Card
Floor 1, Block 1, No. 166 Mindong Road, Pudong New District, Shanghai (上海市浦東新區民冬路166號1幢一樓)	Personalisation centre	1,486.8	2010.12.13 to 2013.12.12	Shanghai Heng Lu Industrial Co., Ltd. (上海恆魯實業有限公司)	Goldpac Secur-Card Shanghai branch
Floor 2, Block 1, No. 166 Mindong Road, Pudong New District, Shanghai (上海市浦東新區民冬路166號1幢二樓)	Personalisation centre	1,492.1	2013.11.8 to 2016.11.7	Shanghai Heng Lu Industrial Co., Ltd. (上海恆魯實業有限公司)	Goldpac Secur-Card Shanghai branch
Room 613, No. 132 Zhongshan Road (中山路132號613室)	Office and branch filing registrar	51.6	2013.1.28 to 2015.1.27	Qian Gang (錢綱), Yuan Qin (袁沁)	Goldpac Secur-Card


APPENDIX IV
STATUTORY AND GENERAL INFORMATION

<u>Property</u>	<u>Use</u>	<u>Area (sq. m.)</u>	<u>Lease duration</u>	<u>Lessor</u>	<u>Lessee</u>
Room 2-0803, Building No. 10, Xinglongtianranju Community, Jiangong Road, Yanta District, Xian (西安市雁塔區 建工路鑫龍天然 居小區10號樓 2-0803號)	Office	70.3	2013.3.25 to 2014.3.24	Zhang Ting (張婷)	Goldpac Secur-Card
Room 701, No. 102 Jundusi Lane, Xiacheng District, Hangzhou (杭州市下城區 軍督司巷102號701室)	Dormitory	55.8	2013.3.4 to 2014.3.3	Ye Shushan (葉樹珊)	Goldpac Secur-Card
Room 1205-1206, 12th Floor, Cigna Tower, No. 470-484 Jaffe Road, Causeway Bay, Hong Kong	Office	140	2012.8.1 to 2014.7.31	Siu On Realty Company Limited	Goldpac Datacard

Total: 4,399.5

10. Intellectual property rights of our Group
(a) Trademarks

As at the Latest Practicable Date, the Group is the licensee of the following material trademarks:

<u>No</u>	<u>Trademark</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Registration/ Application number</u>	<u>Duration of Validity</u>	<u>Registered Owner</u>
1.	 金邦達 Goldpac	PRC	42	1949284	14.10.2012 to 13.10.2022	GIHL
2.	金邦達 Goldpac	PRC	9	5247796	21.04.2009 to 20.04.2019	GIHL
3.	金邦達 Goldpac	PRC	37	5247797	21.09.2009 to 20.09.2019	GIHL
4.	金邦達 Goldpac	PRC	38	5247798	21.09.2009 to 20.09.2019	GIHL
5.	金邦達 Goldpac	Hong Kong	9, 37, 38, 40, 42	301844442	28.02.2011 to 27.02.2021	GIHL
6.	金邦達 Goldpac	Macao	9	N/055103	25.07.2011 to 25.07.2018	GIHL
7.	金邦達 Goldpac	Macao	37	N/055104	25.07.2011 to 25.07.2018	GIHL
8.	金邦達 Goldpac	Macao	38	N/055105	25.07.2011 to 25.07.2018	GIHL
9.	金邦達 Goldpac	Macao	42	N/055106	25.07.2011 to 25.07.2018	GIHL

Notes:

1. The specific goods under class 42 in respect of which the trademark was registered are lithography, printing, offset printing, screen printing.
2. The specific goods under class 9 in respect of which the trademark was registered are magnetic identification cards, PIN-protected swipe cards, encoded swipe cards, interface cards for computers, IC cards, smart cards (IC cards), magnetic data media, magnetic encoders, data processing devices, readers (data processing devices), barcode scanner, recorded computer software, computer peripheral devices, various types of magnetic and non-magnetic cards, data processing devices for IC cards, electronic tags for goods.
3. The specific goods under class 37 in respect of which the trademark was registered are magnetic identification cards, PIN-protected swipe cards, encoded swipe cards, interface cards for computers, IC cards, smart cards (IC cards), and the installation, maintenance and repair of terminals for various types of contact or contactless smart cards, installation, maintenance and repair of various type of card readers-similar group.
4. The specific goods under class 38 in respect of which the trademark was registered are information transmission, computer terminal communication, user access service to a computer database network related to credit card issuance, encrypted information transmission for electronic data.
5. The specific goods under class 9 in which the trademark was registered are encoded cards; magnetic cards; bank credit, debit, cash, cheque and identification cards, all being encoded or magnetic; magnetically encoded and smart (programmable) cards; apparatus for processing card transactions and data relating thereof and for payment processing; apparatus for verifying data on magnetically encoded cards; apparatus for input, output, storage and/or processing of data; Parts and fitting for all the aforesaid goods; the specific goods under class 37 in which the trademark was registered are installation, maintenance and repair of encoded cards, magnetic cards, bank credit, debit, cash, cheque and identification cards, all being encoded or magnetic, magnetically encoded and smart (programmable) cards, apparatus for processing card transactions and data relating thereof and for payment processing, apparatus for verifying data on magnetically encoded cards, apparatus for input, output, storage and/or processing of data, parts and fitting for all the aforesaid goods; the specific goods under class 38 in which the trademark was registered are data communication services; on-line information services relating to communications; electrical data transmission over a global remote data processing network and the internet; services for the transmission, provision or display of information from a computer stored data bank or via the internet; the specific goods under class 40 in which the trademark was registered are Lithographic printing; printing; silkscreen printing; offset printing; the specific goods under class 42 in which the trademark was registered are Computer systems analysis; recovery of computer data; computer system design; conversion of data or documents from physical to electronic media; providing security certification services for the Internet users.
6. The specific goods under class 9 in which the trademark was registered are magnetic identification cards, PIN-protected swipe cards, encoded swipe cards, interface cards for computers, IC cards, smart cards (IC cards), magnetic data media, magnetic encoders, magnetic coding machine, data processing devices, readers (data processing devices), barcode scanner, recorded computer software, computer peripheral devices, electronic tags for goods, various types of magnetic and non-magnetic cards, data processing devices for IC cards.
7. The specific goods under class 37 in which the trademark was registered are the installation, maintenance and repair of terminals for magnetic identification cards, PIN-protected swipe cards, encoded swipe cards, interface cards for computers, IC cards, smart cards (IC cards), and various types of contact or contactless smart cards; installation, maintenance and repair of card issuance devices for magnetic identification cards, PIN-protected swipe cards, encoded swipe cards, interface cards for computers, IC cards, smart cards (IC cards), and various type of contact or contactless smart cards; installation, maintenance and repair of card printing devices for magnetic identification cards, PIN-protected swipe cards, encoded swipe cards, interface cards for computers, IC cards, smart cards (IC cards), and various type of contact or contactless smart cards; installation, maintenance and repair of various type of card readers.
8. The specific goods under class 38 in which the trademark was registered are information transmission, computer terminal communication, user access service to a computer database network related to credit card issuance, encrypted information transmission for electronic data (information transmission).
9. The specific goods under class 42 in which the trademark was registered are lithography, printing, offset printing, screen printing.

(b) Domain Names

As at the Latest Practicable Date, the Group has the following material registered domain names:

No	Domain Name	Date of Registration	Date of expiry
1.	goldpac.com.cn	9 November 2007	8 December 2015
2.	GOLDPAC.COM	8 March 2000	8 March 2018

(c) Patents

As at the Latest Practicable Date, the Group has the following material registered patents:

No	Patent	Patent type	Place of incorporation	Application number	Application date
1.	異形非接觸 IC 交易卡	Utility model	PRC	ZL200420071343.9	2004.07.09
2.	感觸式交易卡	Utility model	PRC	ZL200420071342.4	2004.07.09
3.	感應式交易卡	Utility model	PRC	ZL200420071344.3	2004.07.09
4.	金炫卡	Utility model	PRC	ZL200820047009.8	2008.04.25
5.	鐳射卡	Utility model	PRC	ZL200820047010.0	2008.04.25
6.	金屬卡	Utility model	PRC	ZL200920055531.5	2009.04.28
7.	雙界面卡及雙界面卡設備	Utility model	PRC	ZL201020642107.3	2010.12.01
8.	一種新型磁條卡	Utility model	PRC	ZL201020593836.4	2010.11.03
9.	交易卡	Utility model	PRC	ZL201020642126.6	2010.12.01
10.	防偽造IC卡的生產設備	Utility model	PRC	ZL201020600740.6	2010.11.09
11.	發卡設備	Utility model	PRC	ZL201120302201.9	2011.08.18
12.	新型交易卡	Utility model	PRC	ZL201120253589.8	2011.07.18
13.	一種具有立體效果的交易卡	Utility model	PRC	ZL201220277034.1	2012.06.12
14.	具有顯示模塊的接觸式IC卡	Utility model	PRC	ZL201320067848.7	2013.02.05

As at the Latest Practicable Date, the Group has applied for the registration of the following material registered patents:

No	Patent	Patent type	Place of incorporation	Application number	Application date
1.	防偽造IC卡及其生產設備和生產方法	Utility model	PRC	201010539045.8	2010.11.09
2.	具有顯示模塊的接觸式IC卡及其製作方法	Utility model	PRC	201310047314.2	2013.02.05
3.	融檔於圖像的偽裝加密方法	Utility model	PRC	201310215112.4	2013.05.31

(d) Copyright

As at the Latest Practical Date, the Group has the following material Registration of Computer Software Copyright:

No.	Computer Software	Certificate Number	Registration Number	Issue Date
1.	金邦達電子交易安全保障系統 V1.0	軟著登字第106897號	2008SR19718	2008.09.17
2.	金邦達即時發卡系統 (Instant Issuance Solution) V1.0 (簡稱：即時發卡系統(II))	軟著登字第106898號	2008SR19719	2008.09.17
3.	金邦達銀校一卡通系統 V2.0	軟著登字第106899號	2008SR19720	2008.09.17
4.	金邦達數據處理管理平台系統 (簡稱：數據平台) V1.0	軟著登字第109849號	2008SR22670	2008.10.09
5.	GemGold EZ型 CPU 卡操作系統 V2.0	軟著登字第0191350號	2010SR003077	2010.01.19
6.	GemGold D/C 智能卡嵌入式軟件 V1.0	軟著登字第0257832號	2010SR069559	2010.12.17
7.	GemGold Q-D/C 智能卡嵌入式軟件 V1.0	軟著登字第0257831號	2010SR069558	2010.12.17
8.	金邦達磁條比對檢測軟件 V1.0	軟著登字第0257462號	2010SR069189	2010.12.16
9.	金邦達 DC450 製卡系統 V1.0	軟著登字第0257468號	2010SR069195	2010.12.16
10.	安全發卡管理系統 (簡稱：GoldSIMs) V1.0	軟著登字第0257465號	2010SR069192	2010.12.16
11.	金邦達智能卡個人化發卡平台系統 (簡稱：SCI) V1.0	軟著登字第0257463號	2010SR069190	2010.12.16
12.	金邦達 GemGold SSC 智能卡嵌入式操作軟件 V3.0	軟著登字第0364728號	2011SR101054	2011.12.26
13.	金邦達 IC 卡個人化處理軟件 V1.0	軟著登字第0458115號	2012SR090079	2012.09.21
14.	金邦達密鑰管理軟件 V1.0	軟著登字第0457943號	2012SR089907	2012.09.21
15.	金邦達網絡安全管理軟件 V1.0	軟著登字第0457951號	2012SR089915	2012.09.21
16.	金邦達數據準備管理軟件 V1.0	軟著登字第0457946號	2012SR089910	2012.09.21
17.	金邦達 IC 卡檢測軟件 V1.0	軟著登字第0468955號	2012SR100919	2012.10.26

(e) Software Registration

As at the Latest Practical Date, the Group has the following material software product registration:

No.	Software	Certificate Number	Registered Owner	Validity	Issue Date	Renewal Date
1.	金邦達電子交易安全保障系統 V1.0	粵DGY-2004-0195	珠海市金邦達 保密卡有限公司	五年	2004.05.15	2009.05.12
2.	金邦達即時發卡系統 V1.0	粵DGY-2004-0193	珠海市金邦達 保密卡有限公司	五年	2004.05.15	2009.05.12
3.	金邦達銀校一卡通系統 V2.0	粵DGY-2004-0311	珠海市金邦達 保密卡有限公司	五年	2004.08.23	2009.05.12
4.	金邦達數據處理管理平台系統 V1.0 (簡稱：數據平台)	粵DGY-2011-0154	珠海市金邦達 保密卡有限公司	五年	2011.02.16	
5.	金邦達 GemGold D/C 智能卡嵌入式軟件 V1.0	粵DGX-2011-0003	珠海市金邦達 保密卡有限公司	五年	2011.04.25	
6.	金邦達 GemGold Q-D/C 智能卡嵌入式軟件 V1.0	粵DGX-2011-0002	珠海市金邦達 保密卡有限公司	五年	2011.04.25	
7.	金邦達 GemGold SSC 智能卡嵌入式操作軟件 V3.0	粵DGX-2012-0003	珠海市金邦達 保密卡有限公司	五年	2012.03.29	
8.	金邦達數據準備管理軟件 V1.0	粵DGY-2012-1801	珠海市金邦達 保密卡有限公司	五年	2012.11.14	
9.	金邦達 IC 卡個人化處理軟件 V1.0	粵DGY-2012-1802	珠海市金邦達 保密卡有限公司	五年	2012.11.14	
10.	金邦達密鑰管理軟件 V1.0	粵DGY-2012-1803	珠海市金邦達 保密卡有限公司	五年	2012.11.14	
11.	金邦達網絡安全管理軟件 V1.0	粵DGY-2012-2115	珠海市金邦達 保密卡有限公司	五年	2012.12.19	

11. Connected transactions and related party transactions

Save as disclosed in the sections headed “Business”, “Connected Transactions” and “Relationship with Controlling Shareholders” and in note 37 to the Accountants’ Report, the text of which is set out in Appendix I to this prospectus, during the 2 years immediately preceding the date of this prospectus, our Company has not engaged in any other material connected transactions or related party transactions.

FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS**12. Directors***(a) Disclosure of interests of the Directors*

- (i) Each of Chairman Lu, GIHL, Gemalto and BOCI Investment is interested in the Reorganisation, the Pre-IPO Investment and the transactions as contemplated under the material contracts as set out in the paragraph 8 of this Appendix (as the case may be).
- (ii) Save as disclosed in this prospectus, none of the Directors or their associates were engaged in any dealings with the Group during the two years preceding the date of this prospectus.

*(b) Particulars of Directors’ service contracts**Executive Directors*

Each of the executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date until terminated by not less than three months’ notice in writing served by either party on the other. None of the executive Directors is entitled to any director’s fee.

The current basic annual salaries of the executive Directors to their respective executive and management roles in the Group are as follows:

<u>Name</u>	<u>Approximate annual salary HK\$</u>
Chairman Lu	1,440,000
Hou Ping	1,777,899
Mr. R.Y. Lu	410,127
Lu Xiaozhong	683,544

Non-executive Directors

Each of the non-executive Directors has been appointed for an initial term of three years commencing from the Listing Date until terminated by either party giving not less than three months’ written notice to the other expiring at the end of the initial term of their appointment or any time thereafter. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors and removal and retirement by rotation of Directors. None of the non-executive Director is entitled to any director’s fee. The non-executive Director is also not expected to receive any other remuneration for holding his office as a non-executive Director.

Independent non-executive Directors

Each of the independent non-executive Directors has been appointed for an initial term of three years commencing from the Listing Date until terminated by either party giving not less than three months’ written notice to the other expiring at the end of the initial term of their appointment or any time thereafter. The appointments are subject to the provisions of

the Articles of Association with regard to vacation of office of Directors and removal and retirement by rotation of Directors. The independent non-executive Directors are entitled to an aggregate director's fee of HK\$600,000 per annum. Save for directors' fee, none of the 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 the 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).

(c) *Directors remuneration*

- (i) The aggregate emoluments paid and benefits in kind granted by the Group to the Directors in respect of the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 were approximately RMB1.2 million, RMB3.4 million, RMB7.2 million and RMB2.4 million, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by the Group to and benefits in kind receivable by the Directors (including the non-executive Director and the independent non-executive Directors in their respective capacity as Directors) for the year ending 31 December 2013 are expected to be approximately RMB8.0 million.
- (iii) None of the Directors or any past directors of any member of the Group has been paid any sum of money for the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013 (i) as an inducement to join or upon joining the Group or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to any emoluments for the three years ended 31 December 2010, 2011 and 2012 and the six months ended 30 June 2013.

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

Immediately following completion of and the Capitalisation Issue and the Global Offering and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme, the interests and short positions of the Directors in the shares, underlying shares or debentures of our Company and our 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 in which they are 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 to notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are listed, will be as follows:

The Company

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Number and class of securities⁽¹⁾</u>	<u>Approximate percentage of interest in the Company</u>
Chairman Lu ⁽²⁾	Interest of controlled corporation	356,839,422 Shares (L)	44.60%
.....	Beneficial owner ⁽³⁾	3,700,000	0.46% ⁽⁴⁾
Hou Ping	Beneficial owner ⁽³⁾	1,500,000	0.19% ⁽⁴⁾
Lu Runyi	Beneficial owner ⁽³⁾	2,000,000	0.25% ⁽⁴⁾
Lu Xiaozhong	Beneficial owner ⁽³⁾	1,000,000	0.13% ⁽⁴⁾

Notes:

- (1) The letter “L” denotes the Directors’ long position in the shares of our Company or the relevant associated corporation.
- (2) The disclosed interest represents the interest in our Company held by GIHL, which is wholly-owned by Chairman Lu, accordingly, Chairman Lu is deemed to be interested in GIHL’s interest in our Company by virtue of the SFO.
- (3) Shares which are subject to options under the Pre-IPO Share Option Scheme.
- (4) Calculated based on the number of issued Shares upon completion of the Capitalisation Issue and the Global Offering and taking into no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Options and the options granted or to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme.

13. Interest discloseable under the SFO and substantial shareholders

So far as is known to the Directors, immediately following completion of the Capitalisation Issue and the Global Offering (but without taking account of any Shares which may be taken up or acquired under the Global Offering and any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme), other than a Director or chief executive of our Company whose interests are disclosed under the section headed “Further Information about Directors and Shareholders – 12. Directors” above, the following persons will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company 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 member of the Group:

<u>Name</u>	<u>Capacity</u>	<u>Number of Securities held⁽¹⁾</u>	<u>Approximate shareholding percentage (%)</u>
Chairman Lu ⁽²⁾⁽ⁱ⁾	Interest of controlled corporation	356,839,422 Shares (L)	44.60%
.	Beneficial owner ⁽²⁾⁽ⁱⁱ⁾	3,700,000	0.46%
Ms. Zhang Jian ⁽³⁾	Family	360,539,422 Shares (L)	45.06%
Gemalto ⁽⁴⁾	Interest of controlled corporation	152,931,181 Shares (L)	19.12%
BOC ⁽⁵⁾	Interest of controlled corporation	90,229,397 Shares (L)	11.28%

Notes:

- (1) The letter “L” denotes a person’s long position in our Shares or shares of the relevant Group member.
- (2) The disclosed interest represents (i) the interest in our Company held by GIHL, which is wholly-owned by Chairman Lu, accordingly, Chairman Lu is deemed to be interested in GIHL’s interest in our Company by virtue of the SFO; and (ii) Shares which are subject to options under the Pre-IPO Share Option Scheme.
- (3) Ms. Zhang Jian, the spouse of Chairman Lu, is deemed to be interested in Chairman Lu’s interest in our Company by virtue of the SFO.
- (4) The disclosed interest represents the interest in our Company held by GISA, which is wholly-owned by Gemalto, whose shares are listed and traded on the NYSE Euronext Amsterdam and NYSE Euronext Paris. Therefore, Gemalto is deemed to be interested in GISA’s interest in our Company by virtue of the SFO.
- (5) The disclosed interest represents the interest in our Company held by BOCI Investment, which is wholly-owned by BOCI International Holdings Limited, which is in turn wholly-owned by BOC. Therefore, BOC is deemed to be interested in BOCI Investment’s interest in our Company by virtue of the SFO.

14. Disclaimers

Save as disclosed in this prospectus:

- (a) and taking no account of any Shares which may be taken up or acquired under the Global Offering or upon the exercise of the Over-allotment Option and any options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme, the Directors are not aware of any person (not being a Director or chief executive of our Company) who immediately following the completion of the Capitalisation Issue and the Global Offering will have an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will, either 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 member of the Group;

- (b) none of the Directors has any interest or short position in any of the shares, underlying shares or debentures of our Company or any 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 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 to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are listed;
- (c) none of the Directors nor any of the parties listed in the paragraph 23 below has been interested in the promotion of, or has any direct or indirect interest 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 our Company or any of the subsidiaries of our Company, or are proposed to be acquired or disposed of by or leased to our Company or any other member of the Group nor will any Director apply for the Offer Shares either in his own name or in the name of a nominee;
- (d) none of the Directors nor any of the parties listed in the paragraph 23 below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to business of the Group; and
- (e) save in connection with the Underwriting Agreements, none of the parties listed in the paragraph 23 below:
 - (i) is interested legally or beneficially in any securities of any member of the Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

OTHER INFORMATION

15. Share Option Schemes

A. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of the shareholders of our Company passed on 15 November 2013.

(a) Purpose

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

- (i) motivating the Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attracting and retaining or otherwise maintaining on-going business relationships with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of the Group.

(b) Who may join

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

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any Directors (including non-executive Directors and independent non-executive Directors) of our Company or any of its subsidiaries;
- (iii) any advisors, consultants, suppliers, customers and agents to our Company or any of its subsidiaries; and
- (iv) such other persons who, in the sole opinion of the Board, will contribute or have contributed to the Group, the assessment criteria of which are:
 - (aa) contribution to the development and performance of the Group;
 - (bb) quality of work performed for the Group;
 - (cc) initiative and commitment in performing his/her duties; and
 - (dd) length of service or contribution to the Group.

(c) Acceptance of an offer of options

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptance of the options duly signed by the grantee, together with a remittance in favour of our Company of HK\$1.0 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given.

Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial advisor as the case may be pursuant to paragraph (r), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of the Shares so allotted.

The exercise of any option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company.

(d) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted (including Shares in respect of which options, whether exercised or still outstanding, have already been granted) under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue on the Listing Date, being 80,000,000 Shares (the “**Scheme Limit**”), excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

- (i) renew this limit at any time to 10% of the Shares in issue (the “**New Scheme Limit**”) as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the Scheme Limit to Eligible Participants specifically identified by the Board. The circular issued by our Company to the Shareholders shall contain a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participants with an explanation as to how the options serve such purpose, the information required under Rule 17.02(2)(d) and the disclaimer required under Rule 17.02(4) of the Listing Rules.

Notwithstanding the foregoing, the 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 at any time shall not exceed 30% of the Shares in issue from time to time (the “**Maximum Limit**”). No options shall be granted under any schemes of our Company (including the Share Option Scheme) if this will result in the Maximum Limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of our Company or an approved independent financial advisor shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of our Company in accordance with paragraph (r) below whether by way of capitalisation issue, rights issue, consolidation, sub-division of shares or reduction of the share capital of our Company but in no event shall exceed the limit prescribed in this paragraph.

(e) *Maximum number of options to any one individual*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option schemes of our Company (including both exercised, outstanding options and Shares which were the subject of options which have been granted and accepted under the Share Option Scheme or any other scheme of our Company but subsequently cancelled (the “**Cancelled Shares**”) to each Eligible Participant in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue as at the date of grant. Any further grant of options in excess of this 1% limit shall be subject to:

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant) the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of the Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his associates (as defined in the Listing Rules) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be

fixed before the Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the exercise price of the Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine or, alternatively, documents accompanying the offer document which state, among other things:

- (aa) the Eligible Participant's name, address and occupation;
- (bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
- (cc) the date upon which an offer for an option must be accepted;
- (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);
- (ee) the number of Shares in respect of which the option is offered;
- (ff) the exercise price and the manner of payment of such price for the Shares on and in consequence of the exercise of the option;
- (gg) the date of the notice given by the grantee in respect of the exercise of the option;
- (hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c); and
- (ii) such other terms and conditions (including, without limitation, any minimum period for which an option shall be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with the Share Option Scheme and the Listing Rules.

(f) Price of Shares

The exercise price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the date of grant; and
- (iii) the nominal value of a Share.

(g) Granting options to connected persons

Any grant of options to a Director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director or their

respective associates (as defined in the Listing Rules) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, cancelled and outstanding) such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% of the Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange at the date of each grant, such further grant of options will be subject to the approval of the independent non-executive Directors as referred to in this paragraph, the issue of a circular by our Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favour, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

The circular to be issued by our Company to the Shareholders pursuant to the above paragraph shall contain the following information:

- (i) the details of the number and terms (including the exercise price) of the options to be granted to each selected Eligible Participant, which must be fixed before the Shareholders' meeting and the date of the Board meeting for proposing such further grant shall be taken as the date of grant for the purpose of calculating the exercise price of such options;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) and (d) and the disclaimer required under Rule 17.02(4) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

(h) Restrictions on the times of grant of Options

A grant of options may not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (such date to first be notified 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 other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of the results for any year, or half-year, or quarterly or other interim period (whether or not required under the Listing Rules);

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

(i) Rights are personal to grantee

An option is personal to the grantee. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or

in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

(j) Time of exercise of option and duration of the Share Option Scheme

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of ten years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than ten years after it has been granted. No option may be granted more than ten years after the date of approval of the Share Option Scheme by the shareholders of our Company (the “**Adoption Date**”). Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years from the Adoption Date.

(k) Performance target

A grantee may be required to achieve any performance targets as the Board may then specify in the grant before any options granted under the Share Option Scheme can be exercised.

(l) Rights on ceasing employment/death

If the grantee of an option ceases to be an Eligible Participant:

- (i) by any reason other than death, ill-health, injury, disability or termination of his relationship with our Company and/or any of its subsidiaries on one of more of the grounds specified in paragraph (m) below, the grantee may exercise the option up to the entitlement of the grantee as at the date of cessation (to the extent not already exercised) within a period of one month (or such longer period as the Board may determine) from such cessation which date shall be the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse (or such longer period as our Company may determine); or
- (ii) by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of the Board) and none of the events which would be a ground for termination of his relationship with our Company and/or any of its subsidiaries under paragraph (m) has occurred, the grantee or his personal representative(s) may exercise the option within a period of 12 months (or such longer period as the Board may determine) from the date of cessation of being an Eligible Participant or death to exercise the Options in full (to the extent not already exercised).

(m) Rights on dismissal

If the grantee of an option ceases to be an Eligible Participant on the grounds that he has been guilty of serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty, his option will lapse and not be exercisable after the date of termination of his employment.

(n) Rights on takeover

If a general offer is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the

offeror (as defined in the Takeovers Code)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) Rights on winding-up

In the event that a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his legal personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate exercise 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, allot the relevant Shares to the grantee credited as fully paid.

(p) Rights on compromise or arrangement between our Company and its members or creditors

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of the jurisdiction in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a scheme or arrangement and any grantee may by notice in writing to our Company accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given (such notice to be received by our Company no later than two Business Days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

With effect from the date of such meeting, the rights of all grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of grantees to exercise their respective options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

(q) Ranking of Shares

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

(r) Effect of alterations to capital

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, consolidation, subdivision or reduction of share capital of our Company, such corresponding alterations (if any) shall be made in the number of Shares subject to any outstanding options and/or the exercise price per Share of each outstanding option as the auditors of our Company or an independent financial advisor shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes. The capacity of the auditors of our Company or the approved independent financial advisor, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in the absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the equity capital of our Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration provided that no such alteration shall be made if the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) Expiry of option

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

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n) or (o);
- (iii) the date upon which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;
- (v) the date upon which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his or her employment or contract on the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or is unable to pay his or her debts or has become insolvent or has made any arrangement or has compromised with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty or has been in breach of contract. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date upon which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are cancelled in accordance with paragraph (u) below.

(t) Alteration of the Share Option Scheme

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

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

shall first be approved by the Shareholders in general meeting provided that if the proposed alteration shall adversely affect any option granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the grantees' approval in accordance with the terms of the Share Option Scheme. The amended terms of the Share Option Scheme must still comply with Chapter 17 of the Listing Rules and any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must be approved by Shareholders in general meeting.

(u) Cancellation of Options

Any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing. For the avoidance of doubt, such approval is not required in the event that any option is cancelled pursuant to paragraph (i).

(v) Termination of the Share Option Scheme

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

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

(w) Administration of the Board

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 herein) shall be final and binding on all parties.

(x) Conditions of the Share Option Scheme

The Share Option Scheme is conditional on:

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

If the conditions in paragraph (x) above are not satisfied within 12 calendar months from the Adoption Date:

- (i) the Share Option Scheme shall forthwith determine;
- (ii) any option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect; and
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any option granted thereunder.

(y) *Disclosure in annual and interim reports*

The Company will disclose details of the Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

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

Application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 80,000,000 Shares in total.

B. Pre-IPO Share Option Scheme

(a) Introduction

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution of certain of our employees, executives and officers made or may have made to the growth of the Group and/or the listing of Shares on the Stock Exchange. The principal terms of the Pre-IPO Share Option Scheme were approved by resolutions in writing of all our shareholders passed on 15 November 2013 and are substantially the same as the terms of our Share Option Scheme except for the following principal terms:

- (a) the exercise price per Share shall be HK\$2.71;
- (b) the total number of Shares subject to the Pre-IPO Share Option Scheme is 36,000,000 Shares, representing approximately 4.5% of the issued share capital of our Company immediately upon completion of the Capitalisation Issue and the Global Offering and taking no account of any shares which may be allotted and issued pursuant to the exercise of the Over-allotment options and the options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme;
- (c) the eligible participant under the Pre-IPO Share Option Scheme are the full-time employees, executives or officers (including executive, non-executive and independent non-executive Directors) of our Company or the full-time employees of any of the subsidiaries of the level of manager or above and other full-time employees of our Company or any of the subsidiaries who, in the sole opinion of the Board, have contributed or will contribute to our Company and/or any of the subsidiaries;

- (d) the conditions which the Board may in its absolute discretion to consider (including, without limitation, any minimum period for which an Option must be held before it can be exercised and/or any performance targets which must be achieved before an Option can be exercised) as it may think fit; and
- (e) except for the options which have been granted under the Pre-IPO Share Option Scheme, no further options will be offered or granted under the Pre-IPO Share Option Scheme, as the right to do so will terminate upon the listing of the Shares on the Stock Exchange.

HK\$1.00 was payable by each Grantee as consideration for grant of the options. Save as administration costs and expenses, our Company is not required to incur other costs or expenses in respect of the Pre-IPO Share Option Scheme.

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

(b) Outstanding options

As at the date of this prospectus, options to subscribe for an aggregate of 36,000,000 Shares at an exercise price of HK\$2.71 have been conditionally granted by our Company under the Pre-IPO Share Option Scheme. A total of 212 eligible participants have been granted options under the Pre-IPO Share Option Scheme.

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

<u>Grantee and position</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding upon the exercise of the options</u>
Directors			
Lu Run Ting (盧潤霆)	Flat 37A, Tower 1, The Legend 23 Tai Hang Drive, Jardine's Lookout Hong Kong	3,700,000	0.46%
Hou Ping (侯平)	Room 2045 368 Jida Shui Wan Road Xiangzhou District Zhuhai, Guangdong Province P.R.C.	1,500,000	0.19%
Lu Runyi (盧潤怡)	22, Haitaoyuan, Meiliwan No.199 North Lover Road Xiangzhou District Zhuhai, Guangdong Province P.R.C.	2,000,000	0.25%
Lu Xiaozhong (盧小忠)	Room 702, Unit 3, Building 7 Wuzhou Huacheng, No.400, Yinhua Road Xiangzhou District Zhuhai, Guangdong Province P.R.C.	1,000,000	0.13%

Grantee and position	Address	Number of Shares under the options granted	Approximate percentage of shareholding upon the exercise of the options
Senior management and/or other employees of our Group			
Li Yijin (李易進) (chief financial officer)	Flat F, 3rd Floor, Wai Son, Rua da Tercena, Macau	1,000,000	0.13%
Wu Si Qiang (吳思強) (chief operating officer)	Room 501, Building No.2, No.91 Jiaoyu Road Xiangzhou, Zhuhai, PRC	1,000,000	0.13%
Li Jun (李軍) (chief technology officer)	North Area No.11-2-101, Danfeng Lishe, No. 1 Jian Cai Middle Road, XiSanQi, Haidian District, Beijing	1,000,000	0.13%
Other employees of our Group who have been granted options for 500,000 Shares or more (total 11 employees)			
Cheng Kiu Sum (鄭橋森) (technical director)	Room 803, Block B, Hong Tin Court, Kai Tin Road, Lam Tin, Kowloon, Hong Kong	500,000	0.06%
Duan Xiaoyan (段曉燕) (vice director of technical)	Room 402, Building 25, Huafa New City, Zhuhai	600,000	0.07%
Fu Kwan Lun (付昆倫) (marketing manager)	B3-16/F, Bayview Mansion, Moreton Terrace, Causeway Bay, Hong Kong	500,000	0.06%
Guo Hongqi (郭紅旗) (supervisor)	Building 62, No.123, Shihua Road (East), Zhuhai	800,000	0.10%
Huang Minjie (黃敏傑) (assistant president & legal supervisor)	Room 25-301, No.113, Bailian Road, Jida, Zhuhai	800,000	0.10%
Liu Xuhui (劉煦暉) (vice sales general manager)	Room 43-203, No.120, Changye Road, Zhuhai	500,000	0.06%

<u>Grantee and position</u>	<u>Address</u>	<u>Number of Shares under the options granted</u>	<u>Approximate percentage of shareholding upon the exercise of the options</u>
Lv Lu (呂路) (financial manager)	Room 502, Entrance 5, Building 1, No.10 of Chuangye Road, Xiangzhou District, Zhuhai, Guangdong	500,000	0.06%
Ng Chun Hung (吳振鴻) (sales general manager)	Flat G, 3/F, Block 8, Fullview Garden, 18 Siu Sai Wan Road, Hong Kong	700,000	0.09%
Yau Kan (邱勤) (general manager of marketing)	Room 7G, Building A, Wanhaoguoji flat, No. 5 of Tonglingguan, Yonganxili, Chaoyang District, Beijing	800,000	0.10%
Xu Muping (徐木平) (card application manager)	Room 602, Entrance 2, Building T7, Beijing Institute of Technology (Zhuhai), Jinfeng Road, Zhuhai, Guangdong	500,000	0.06%
Zhang Rong (張蓉) (general manager of Shanghai)	Room 1102, NO.10, Lane 428, Changping Road, JingAn District, Shanghai	500,000	0.06%
Other employees of our Group (total 194 employees)	N/A	<u>18,100,000</u>	<u>2.26%</u>
		<u>36,000,000</u>	<u>4.5%</u>

The percentages of shareholding represent the percentages immediately upon completion of the Capitalisation Issue and the Global Offering and taking no account of any shares which may be allotted and issued pursuant to the exercise of the Over-allotment Options and the options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme. Except as set out above, no other options have been granted or agreed to be granted by us under the Pre-IPO Share Option Scheme.

Assuming the Over-allotment Option is not exercised, our shareholding structure before and after the full exercise of all the options granted under the Pre-IPO Share Option Scheme will be as follows:

Shareholders	Shareholding structure immediately after completion of the Capitalisation Issue and the Global Offering but before the exercise of the options granted under the Pre-IPO Share Option Scheme		Shareholding structure immediately after completion of the Capitalisation Issue and the Global Offering and full exercise of the options granted under the Pre-IPO Share Option Scheme	
	Shares	%	Shares	%
Chairman Lu	356,839,422	44.60	360,539,422	43.13
Gemalto	152,931,181	19.12	152,931,181	18.29
BOCI Investment	90,229,397	11.28	90,229,397	10.79
Grantees under the Pre-IPO Share Option Scheme as non-connected persons	—	—	27,800,000	3.33
Grantees under the Pre-IPO Share Option Scheme as connected persons (other than Chairman Lu)	—	—	4,500,000	0.54
Other shareholders	<u>200,000,000</u>	<u>25.00</u>	<u>200,000,000</u>	<u>23.92</u>
	<u>800,000,000</u>	<u>100.0</u>	<u>836,000,000</u>	<u>100.0</u>

We will not permit the exercise of any Pre-IPO Share Option Scheme by any of our connected persons if, upon such exercise, we would not be able to attain the minimum public float requirement of the Stock Exchange.

(c) Valuation of the options granted under the Pre-IPO Share Option Scheme

The valuation of options granted under the Pre-IPO Share Option Scheme was conducted based on the Binomial Model with the following assumptions:

Date of grant	20 November 2013
Estimated share price at the date of grant	HK\$4.52
Exercise price per share	HK\$2.71
*Annual risk free rate	1.2426% per year
*Expected volatility	46.9963% per year
Life of the option	6 years
*Expected dividend yield	1.0822% per year

The expected suboptimal early exercise multiple for directors and senior management are assumed to be 2.8 times and 2.5 times the exercise price respectively. The post-vesting exit rate for directors and senior management are assumed to be 0% per year and 0% per year, respectively.

* The assumptions above are based on market data as at 19 November 2013, quoted from Bloomberg.

The result of the Binomial Model can be materially affected by changes in the aforesaid assumptions so an option's actual value may differ from the estimated fair value of the options due to limitations of the Binomial Model.

The fair value per share of option:

<u>Vesting Period</u>	<u>Directors</u>	<u>Senior Management and other Grantees</u>
One year after the grant date	HK\$2.4453	HK\$2.4250
Two years after the grant date	HK\$2.4766	HK\$2.4655
Three years after the grant date	HK\$2.4924	HK\$2.4860
Four years after the grant date	HK\$2.4923	HK\$2.4901
Five years after the grant date	HK\$2.4791	HK\$2.4790

(d) Effect on the earnings per Share as a result of the Pre-IPO Share Options

Assuming that all the options granted under the Pre-IPO Share Option Scheme had been exercised in full during the year ended 31 December 2012 and that 836,000,000 Shares, comprising 800,000,000 Shares to be in issue immediately after the Capitalisation Issue and the Global Offering (assuming no exercise of the Over-allotment Option) and 36,000,000 Shares to be issued upon the exercise of all of the options granted under the Pre-IPO Share Option Scheme, were deemed to have been in issue throughout the year ended 31 December 2012, this would have a potentially dilutive effect on audited basic earnings per Share from approximately RMB14.4 cents (assuming on 800,000,000 Issued Shares) to approximately RMB13.8 cents (assuming on 836,000,000 Issued Shares). This calculation has been prepared on the assumption that we will not receive any proceeds from the exercise of any option under the Pre-IPO Share Option Scheme, without taking into account the impact of fair value of the Shares on computation of the number of potentially dilutive Shares, and without taking into account the impact of the fair value of the options under the Pre-IPO Shares Option Scheme on the audited net profit for the year ended 31 December 2012.

(e) Summary of the major terms of the Pre-IPO Share Option Scheme**(i) Purpose**

The Pre-IPO Share Option Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that the eligible participants (as described in paragraph (ii) below) have or may have made to the Group. The Pre-IPO Share Option Scheme will provide the eligible participants with an opportunity to have a personal stake in our Company with a view to achieving the following objectives:

- (1) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and
- (2) attracting and retaining or otherwise maintaining relationships with the eligible participants whose contributions are or will be beneficial to the long- term growth of the Group.

(ii) Who may join

The Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as the Board may determine at an exercise price set out in paragraph (iv) below to:

- (1) any full-time or part-time employees or potential employees, executives or officers of our Company or any of our subsidiaries;
- (2) any directors (including non-executive directors and independent non-executive directors) of our Company or any of our subsidiaries; or
- (3) any full-time employees of any subsidiaries of our Company of the level of manager or above and other full-time employees of our Company or its subsidiaries who, in the sole opinion of the Board, have contributed or will contribute to our Company and/or any of the subsidiaries.

(iii) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Pre-IPO Share Option Scheme is 36,000,000 Shares.

(iv) *Price of Shares*

The exercise price of a Share in respect of any particular option granted under the Pre-IPO Share Option Scheme shall be HK\$2.71.

(v) *Rights are personal to grantee*

An option is personal to the grantee and may be exercised or treated as exercised, as the case may be, in whole or in part. No grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so.

(vi) *Time of exercise of options and duration of the Pre-IPO Share Option Scheme*

The grantees to whom options have been granted under the Pre-IPO Share Option Scheme will be entitled to exercise his/her options in the following manner:

- (a) up to 20% of the options so granted to him/her (rounded down to the nearest whole number) at any time during a period of 60 months commencing from the 1st anniversary of the Listing Date;
- (b) up to 40% of the options so granted to him/her less the options which have been exercised by him/her (rounded down to the nearest whole number) at any time during a period of 48 months commencing from the 2nd anniversary of the Listing Date;
- (c) up to 60% of the options so granted to him/her less the options which have been exercised by him/her (rounded down to the nearest whole number) at any time during a period of 36 months commencing from the 3rd anniversary of the Listing Date;
- (d) up to 80% of the options so granted to him/her less the options which have been exercised by him/her (rounded down to the nearest whole number) at any time during a period of 24 months commencing from the 4th anniversary of the Listing Date; and
- (e) such number of unexercised options so granted to him/her at any time during a period of 12 months commencing from the 5th anniversary of the Listing Date.

(vii) *Ranking of Shares*

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

(viii) *Effect of alterations to capital*

In the event of any capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of share capital of our company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to any options

so far as unexercised and/or the subscription price per Share of each outstanding option and/or the method of exercise of the option as our auditors or an independent financial adviser shall certify in writing to the Board to be in their/his opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to pre-IPO share option schemes (the "Supplemental Guidance"). Any such alterations will be made on the basis that a grantee shall have the same proportion of our issued share capital (as interpreted in accordance with the Supplemental Guidance) for which any grantee of an option is entitled to subscribe pursuant to the options held by him before such alteration and the aggregate subscription amount payable on the full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations. Any adjustment to be made will comply with the Listing Rules, the Supplemental Guidance and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

(ix) *Expiry of option*

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

- (1) the date of expiry of the option as may be determined by the Board;
- (2) the date of commencement of the winding-up of our Company in accordance with the Hong Kong Law;
- (3) the date on which the grantee ceases to be an eligible participant for reasons of gross negligence, willful misconduct or convicted of a criminal offence; or
- (4) the date on which the Board shall exercise our right to cancel the option in accordance with paragraph (xi) below.

(x) *Alteration of the Pre-IPO Share Option Scheme*

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

(xi) *Cancellation of Options*

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

(xii) *Termination of the Pre-IPO Share Option Scheme*

We may by resolution of our Shareholders in general meeting or the Board at any time terminate the Pre-IPO Share Option Scheme and in such event no further option shall be offered but the provisions of the Pre-IPO Share Option Scheme shall remain in

force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme.

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

(xiii) *Administration of the Board*

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

(xiv) *Disclosure in annual and interim reports*

We will disclose details of the Pre-IPO Share Option Scheme in our annual and interim reports including the number of options, date of grant, exercise price, exercise period and vesting period during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(f) *Waiver and Exemption*

Our Company has applied for and has been granted a waiver from (i) a waiver from the Stock Exchange from strict compliance with the disclosure requirements under Rule 17.02(1)(b) and paragraph 27 of Appendix 1A to the Listing Rules; and (ii) an exemption from the SFC from strict compliance with the disclosure requirements of paragraph 10(d) of Part I of the Third Schedule to the Companies Ordinance. Please refer to the section headed “Waiver from Strict Compliance with the Listing Rules and Exemptions from the Companies Ordinance – Pre-IPO Share Option Scheme” in this prospectus for details.

16. Estate duty, tax and other indemnity

The Controlling Shareholders (the “**Indemnifiers**”) have entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) (being the material contract (j) referred to in paragraph 8 above) to provide indemnities on a joint and several basis, in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of the Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of the Group at any time on or before the Listing;
- (b) tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of the Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation; and
- (c) any expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs (including but not limited to legal and other professional costs), charges, liabilities, fines, penalties in connection with any failure, delay or defects of corporate or regulatory

compliance or errors, discrepancies or missing documents in the statutory records of any member of the Group under, or any breach of any provision of, the Companies Ordinance or any other applicable laws, rules or regulations on or before the date on which the Global Offering becomes unconditional.

The Indemnifiers are under no liability under the Deed of Indemnity in respect of any taxation:

- (a) to the extent that provision or reserve has been made for such taxation in the audited accounts of any member of the Group for any accounting period up to 30 June 2013;
- (b) to the extent that such taxation or liability falling on any of the members of the Group in respect of any accounting period commencing on or after 1 July 2013 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any member of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in the prospectus; or
- (c) to the extent that such taxation claim arise or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent such claim arises or is increased by an increase in rates of taxation or claim after the date of the Deed of Indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of the Group up to 30 June 2013 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the Deed of Indemnity, the Indemnifiers have also undertaken to us that it will indemnify and at all times keep us fully indemnified, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of the Group may incur or suffer arising from or in connection with the implementation of the Reorganisation.

Pursuant to the Deed of Indemnity, the Indemnifiers have agreed to indemnify us against all claims demands, cost, expenses, fines, actions and liabilities which may arise from or in connection with non-compliance with the requirements of the Companies Ordinance by our Group set out in section headed "Business — Non-compliance with Companies Ordinance" in this prospectus.

17. Litigation

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against our Company or any of our subsidiaries, that would have a material adverse effect on the results of operations or financial condition of our Company.

18. Preliminary expenses

As the Company was incorporated on 8 October 2004, no preliminary expense is payable by our Company during the Track Record Period and thereafter.

19. Promoter

- (a) The Company has no promoter for the purposes of the Listing Rules.
- (b) Within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to the promoters named in sub-paragraph (a) above in connection with the Global Offering or the related transactions described in this prospectus.

20. Joint Sponsors' Independence

Shenyin Wanguo satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

BOCI does not satisfy the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules in view of the reasons as set out below:

- (i) as disclosed in the paragraph headed "History and Corporate Structure — Reorganisation — (5) Step 5: Global Offering and Capitalisation Issue" in this prospectus, upon the Listing, BOCI Investment will be interested as to approximately 11.28% of our Company (assuming none of the Over-allotment Options, the options granted under the Pre-IPO Share Option Scheme and the options to be granted under the Share Option Scheme is exercised and excluding any holding that may arise as a result of any underwriting obligation, if any). As both BOCI Investment and BOCI are subsidiaries of BOC, the sponsor group of BOC will hold more than 5% of the issued share capital of our Company; and
- (ii) as disclosed in (i) above, as BOCI Investment will hold approximately 11.28% of our Company upon the Listing, each of BOCI Investment and BOCI will be a connected person of our Company.

21. Agency fees or commissions received

The Underwriters will receive a commission of 3.0% of the aggregate Offer Price in respect of all the Offer Shares, out of which they will pay any sub-underwriting commissions and selling concessions. The Joint Sponsors will also receive fees relating to the Global Offering.

22. Application for listing of Shares

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and any Shares which may be issued upon the exercise of the Over-allotment Option and any options granted or to be granted under the Pre-IPO Share Option Scheme or the Share Option Scheme, being up to 10% of the Shares in issue on the Listing Date, on the Stock Exchange.

All necessary arrangements have been made to enable the securities to be admitted into CCASS.

23. Qualifications of experts

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

<u>Name</u>	<u>Qualification</u>
BOCI Asia Limited	A corporation licensed under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities under the SFO
Shenyin Wanguo Capital (H.K.) Limited	A corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Commerce & Finance Law Offices	Legal advisers to our Company as to PRC law
Deloitte Touche Tohmatsu	Certified public accountants

24. Consents of experts

Each of the Joint Sponsors, Commerce & Finance Law Office, and Deloitte Touche Tohmatsu, has given and has not withdrawn its written consent to the issue of this prospectus with copies of its reports, valuation, letters or opinions (as the case may be) and the references to its names or summaries of opinions included herein in the form and context in which they respectively appear.

25. Binding Effect

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

26. Taxation of holders of Shares*(a) Hong Kong*

Dealings in Shares registered on our Company's Hong Kong register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Consultation with professional advisors

Intending holders of Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasised that none of our Company, the Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

27. Miscellaneous

- (a) Save as disclosed herein:
 - (i) within two years preceding the date of this prospectus:
 - (aa) no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) the Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 30 June 2013 (being the date to which the latest consolidated financial statements of the Group were made up); and
- (c) there has not been any interruption in the business of the Group which may have or has had a significant effect on the financial position of the Group in the 12 months preceding the date of this prospectus.

28. Bilingual prospectus

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).