

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

We were incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 28 March 2013. We have established a principal place of business in Hong Kong at Workshop No.19, 9th Floor, Block B, Hi-Tech Industrial Centre, No. 491-501 Castle Peak Road, Tsuen Wan, New Territories, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 2 September 2013. Mr. Cheung Fong Wa has been appointed as the authorised representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As we were incorporated in the Cayman Islands, we are subject to the Companies Law and our constitution which comprises the Memorandum of Association and the Articles of Association. A summary of certain provisions of our Company's constitution and relevant aspects of the Companies Law is set out in Appendix III to this prospectus.

2. Change in share capital of our Company

- (a) As at the date of incorporation on 28 March 2013, the authorised share capital of our Company was HK\$380,000 divided into 3,800,000 Shares. On the same day: (i) one nil paid Share was allotted and issued to Codan Trust Company (Cayman) Limited as subscriber, which was subsequently transferred to Eastern Mix; (ii) 2,205 Shares were allotted and issued nil paid to Lead Smart; (iii) 1,372 Shares were allotted and issued nil paid to Cheer Union; (iv) 1,323 Shares were allotted and issued nil paid to Normal Times; and (v) 5,099 Shares were allotted and issued nil paid to Eastern Mix. Immediately upon completion of the above transfer and issue of Shares, our Company had an issued share capital of HK\$1,000 divided into 10,000 Shares.
- (b) On 17 April 2013, the Company acquired all the issued shares of TK Industrial Holdings from Mr. Li, Mr. Yung and Mr. Lee. The consideration for the acquisition was satisfied by (i) crediting the existing 10,000 nil paid Shares in issue as fully paid at par; and (ii) the allotment and issue a total of 10,000 Shares in the Company comprising 8,500 Shares, 675 Shares, 420 Shares and 405 Shares to Eastern Mix, Lead Smart, Cheer Union and Normal Times respectively, credited as fully paid. Upon completion of the acquisition, our Company had an issued share capital of HK\$2,000 divided into 20,000 Shares.

- (c) On 25 October 2013, our Company allotted and issued a total of 70,000 Shares comprising 47,600 Shares, 10,080 Shares, 6,272 Shares and 6,048 Shares to each of Eastern Mix, Lead Smart, Cheer Union and Normal Times respectively, credited as fully paid, to capitalise (i) the outstanding considerations in the amount of HK\$129,949,920 arising from three Reorg Transfers pursuant to the three Reorg Supplemental Agreements; and (ii) the indebtedness in the amount of HK\$98,711,423 due by the Company to Eastern Mix pursuant to four debt novation, assignment and capitalisation agreements. Upon completion of the capitalisation pursuant to the Capitalisation Agreements, our Company had an issued share capital of HK\$9,000 divided into 90,000 Shares.
- (d) Pursuant to the resolutions in writing of all the Shareholders passed on 29 November 2013, the authorised share capital of our Company was increased from HK\$380,000 to HK\$200,000,000 by the creation of an additional 1,996,200,000 Shares.

Immediately following completion of the Reorganisation, Loan Capitalisation, the Capitalisation Issue and the Global Offering but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$80,000,000 divided into 800,000,000 Shares, all fully paid or credited as fully paid and 1,200,000,000 Shares will remain unissued.

Save for aforesaid and as mentioned in the paragraph headed “Resolutions in writing of all the Shareholders passed on 29 November 2013” below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in writing of all the Shareholders passed on 29 November 2013

On 29 November 2013, resolutions in writing were passed by all the Shareholders, pursuant to which, among other things:

- (a) the authorised share capital of our Company was increased from HK\$380,000 to HK\$200,000,000 by the creation of an additional 1,996,200,000 Shares;
- (b) our Company conditionally approved and adopted the amended and restated Memorandum and Articles of Association to take effect on the Listing Date;

- (c) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme); (ii) the entering into of the Price Determination Agreement on the Price Determination Date; and (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
- (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering and such any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the section headed “Share Option Scheme” in this Appendix, were approved and adopted and our Directors were authorised to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme and to take all such steps as may be necessary and/or desirable to implement and give effect to the Share Option Scheme; and
 - (iii) conditional on the share premium account of our Company being credited as a result of the issue of the Offer Shares by our Company pursuant to the Global Offering, our Directors were authorised to capitalise an amount of HK\$59,991,000 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 599,910,000 Shares, such Shares to be allotted and issued to the Shareholders whose names appearing on the register of members of our Company at the close of business on 29 November 2013 (or as such Shareholders may direct) in proportion (as nearly as possible without fractions) to their then respective shareholdings in our Company.
- (d) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the Over-allotment Option and the grant of options under the Share Option Scheme or other similar arrangement or pursuant to a specific authority granted by our Shareholders in general meeting, unissued Shares with a total nominal value not exceeding 20% of the aggregate nominal

value of the share capital of our Company in issue immediately following completion of the Global Offering and Capitalisation Issue (excluding any Shares which may be issued pursuant to the Over-allotment Option and any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held, or until revoked or varied or renewed by an ordinary resolution of the Shareholders at a general meeting of our Company, whichever occurs first;

- (e) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be issued pursuant to the Over-allotment Option and any Shares which may be issued upon exercise of any options that may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held, or until revoked or varied or renewed by an ordinary resolution of the Shareholders at a general meeting of our Company, whichever occurs first; and
- (f) the general unconditional mandate mentioned in paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above.

4. Corporate reorganisation

In preparing for the Listing, our Group underwent the Reorganisation, details of which are set forth in the section headed “History, Reorganisation and Corporate Structure” of this prospectus.

5. Changes in share capital of subsidiaries of our Group

Subsidiaries of our Company are referred to in the Accountant's Report, the text of which is set out in Appendix I to this prospectus. Save as disclosed in the section headed "History, Reorganisation and Corporate Structure" of this prospectus, there are no changes in the registered capital of our Company's subsidiaries during the two years preceding the date of this prospectus.

6. Repurchase of Shares by our Company

(a) Provisions of the Listing Rules

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

(i) Shareholders' approval

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

Pursuant to a resolution passed by all the Shareholders on 29 November 2013, the Repurchase Mandate was granted to our Directors authorising the repurchase by our Company on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options that may be granted under the Share Option Scheme), at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by any applicable law of the Cayman Islands or the Articles of Association to be held or when such mandate is revoked or varied or renewed by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the laws of the Cayman Islands. 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 from time to time.

(iii) Shares to be repurchased

The Listing Rules provide that the Shares which are proposed to be repurchased by our Company must be fully-paid up.

(b) Reasons for repurchases

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

(c) Funding of repurchases

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

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium account of our Company or the proceeds of a fresh issue of shares made for the purpose of the purchase or, subject to the Companies Law, out of capital and, in the case of any premium payable on the purchase, out of either or both the profits of our Company or the share premium account of our Company or, subject to the Companies Law, out of capital.

Our 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 our Company or its gearing levels which, in the opinion of our Directors, are from time to time appropriate for our Company.

(d) *General*

None of our Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company or its subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Our Company has not repurchased any Shares in the previous six months.

No connected person (as defined in the Listing Rules) has notified our Company that he/she or it has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If as a result of a securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, 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 as a result of any such increase. Our Directors are not aware of any consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

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

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







- (a) the equity transfer agreement dated 1 April 2013 entered into between (1) 東江塑膠有限公司 (TK Plastics Limited) and (2) 東江注塑(蘇州)有限公司 (TK Plastics (Su Zhou) Limited), pursuant to which 東江塑膠有限公司 (TK Plastics Limited) transferred 100% equity interests in 東江塑膠製品(蘇州)有限公司 (TK Plastics Products (Suzhou) Limited) to 東江注塑(蘇州)有限公司 (TK Plastics (Suzhou) Limited) at a cash consideration of RMB10,701,000;
- (b) the equity transfer agreement dated 17 April 2013 entered into between (1) 東江模具有限公司 (TK Mold Limited) and (2) 東江模具(香港)有限公司 (TK Mold (Hong Kong) Limited), pursuant to which 東江模具有限公司 (TK Mold Limited) transferred 100% equity interests in 東江模具(深圳)有限公司 (TK Mold (SZ) Limited) to 東江模具(香港)有限公司 (TK Mold (Hong Kong) Limited) at a cash consideration of RMB84,089,400;
- (c) the equity transfer agreement dated 25 April 2013 entered into between (1) TK Industrial Ltd. and (2) YD Trading (Hong Kong) Limited, pursuant to which TK Industrial Ltd. transferred 100% equity interests in 佑東模具(深圳)有限公司 (YD Mold (SZ) Limited) to YD Trading (Hong Kong) Limited at a cash consideration of RMB8,432,900;
- (d) the agreement dated 31 May 2013 entered into between (1) TK Industrial Ltd. and (2) TK Group Holdings Limited (now known as TK Industrial Holdings Limited), pursuant to which TK Industrial Ltd. transferred 100 shares of TK International (BVI) Limited to TK Group Holdings Limited at a cash consideration of HK\$10,068,431;
- (e) the asset and business transfer agreement dated 21 June 2013 entered into between (1) 新東江塑膠(深圳)有限公司 (TK Plastics (Shenzhen) Ltd.) and (2) 東江精創注塑(深圳)有限公司 (TK Precision Plastics (SZ) Limited), pursuant to which 新東江塑膠(深圳)有限公司 (TK Plastics (Shenzhen) Ltd.) transferred to 東江精創注塑(深圳)有限公司 (TK Precision Plastics (SZ) Limited) certain of its assets and business at a cash consideration of RMB118,899,770.35;

- (f) the asset and business transfer agreement dated 21 June 2013 entered into between (1) 東江科技(深圳)有限公司 (TK Technology (Shenzhen) Ltd.) and 東江模具(深圳)有限公司 (TK Mold (SZ) Limited*), pursuant to which 東江科技(深圳)有限公司 (TK Technology (Shenzhen) Ltd.) transferred to 東江模具(深圳)有限公司 (TK Mold (SZ) Limited*) certain of its assets and business at a cash consideration of RMB96,660,367.50;
- (g) the agreement dated 30 June 2013 entered into among (1) TK Industrial Ltd., (2) TK Industrial Holdings Limited (formerly known as TK Group Holdings Limited), (3) TK Group (Holdings) Limited and (4) Eastern Mix Company Limited in relation to the novation, assignment and capitalisation of the indebtedness of HK\$10,068,431 owed by TK Industrial Holdings Limited to TK Industrial Ltd.;
- (h) the agreement dated 30 June 2013 entered into among (1) TK Mold Limited, (2) TK Mold (Hong Kong) Limited, (3) TK Group (Holdings) Limited and (4) Eastern Mix Company Limited in relation to the novation, assignment and capitalisation of the indebtedness of RMB84,089,400 owed by TK Mold (Hong Kong) Limited to TK Mold Limited;
- (i) the agreement dated 30 June 2013 entered into among (1) TK Plastics Limited, (2) TK Plastics (Su Zhou) Limited, (3) TK Group (Holdings) Limited and (4) Eastern Mix Company Limited in relation to the novation, assignment and capitalisation of the indebtedness of RMB10,701,000 owed by TK Plastics (Su Zhou) Limited to TK Plastics Limited;
- (j) the agreement dated 30 June 2013 entered into among (1) TK Industrial Ltd., (2) TK International (BVI) Limited, (3) TK Group (Holdings) Limited and (4) Eastern Mix Company Limited in relation to the novation, assignment and capitalisation of the indebtedness of HK\$73,208,366 owed by TK International (BVI) Limited to TK Industrial Ltd.;
- (k) the agreement dated 30 June 2013 entered into among (1) TK Plastics Limited, (2) TK International (BVI) Limited, (3) TK Group (Holdings) Limited and (4) Eastern Mix Company Limited in relation to the novation, assignment and capitalisation of the indebtedness of HK\$24,888,775 owed by TK International (BVI) Limited to TK Plastics Limited;
- (l) the deed of indemnity dated 10 December 2013 granted by each of Mr. Li Pui Leung, Mr. Yung Kin Cheung Michael and Mr. Lee Leung Yiu in favour of TK Group (Holdings) Limited and its subsidiaries, further details of which are set out in the section headed “Estate duty, tax and other indemnities” in this Appendix; and
- (m) the Hong Kong Underwriting Agreement, further details of which are set out in the section headed “Underwriting” in this prospectus.

2. Intellectual property rights of our Group

(a) Trademarks


- (i) As at the Latest Practicable Date, our Group has the following registered trademarks in the PRC, which, in the opinion of our Directors, are material to our business and operations:

Trademark	Registered Owner (Note)	Class	Registration Number	Effective Period
	TK Group Limited	1	3082699	21 February 2004 – 20 February 2014
	TK Group Limited	7	3082694	14 April 2005 – 13 April 2015
	TK Group Limited	9	3082692	28 January 2004 – 27 January 2014
	TK Group Limited	17	3082686	21 April 2004 – 20 April 2014
	TK Group Limited	20	3082684	14 February 2004 – 13 February 2014
	TK Group Limited	40	3082663	21 March 2004 – 20 March 2014

Note:

On 26 June 2013, a trademark assignment was entered into between TK Group Limited and TK International BVI pursuant to which the trademarks registered in the name of TK Group Limited in the PRC were assigned to TK International BVI with effect from 31 May 2013 and pending completion of the transfer of registration of the Trademarks, TK Group Limited has also agreed to irrevocably and unconditionally grant to TK International BVI and other Group Companies a non-transferable, exclusive and royalty-free licence to use the trademarks. Such exclusive licence shall terminate upon the registration of TK International BVI as the proprietor and beneficial owner of the trademarks. Our Directors expect the registration of the transfer shall complete in or around the third quarter of 2014.

- (ii) As at the Latest Practicable Date, our Group has applied for registration of the following trademarks in Hong Kong:

Trademark	Name of Applicant	Class	Application Number	Application Date
	TK International BVI	7, 9, 20	302547027	13 March 2013

Note:

The application for registration has been published with the Trade Marks Registry in Hong Kong and will be duly registered pending issuing of the registration certificate. We expect the registration certificate will be issued in mid December 2013.

(b) Patent

- (i) As at the Latest Practicable Date, our Group was the registered owner of the following patents in the PRC which, in the opinion of our Directors, are material to our business and operations:

<u>Title of Patent</u>	<u>Patent Owner</u>	<u>Type</u>	<u>Patent Number</u>	<u>Expiry Date</u>
An assembly method for fixture to assemble tool box	TK Mold (Shenzhen)	Invention	ZL200910108066.1	11 June 2029
A multistage core pulling mechanism for injection mold	TK Mold (Shenzhen)	Utility model	ZL200820093412.4	8 April 2018
A kind of injection mold	TK Mold (Shenzhen)	Utility model	ZL200920132856.9	11 June 2019
A thread demoulding mechanism for injection mold	TK Mold (Shenzhen)	Utility model	ZL200920132857.3	11 June 2019
A kind of injection mold structure	TK Mold (Shenzhen)	Utility model	ZL200920132858.8	11 June 2019
A core pulling mechanism for injected bent tube	TK Mold (Shenzhen)	Utility model	ZL200920132859.2	11 June 2019
A core pulling mechanism for big lifter built with small lifter	TK Mold (Shenzhen)	Utility model	ZL200920132860.5	11 June 2019
An exchangeable mechanism for multi-version and high-cavity injection mold	TK Mold (Shenzhen)	Utility model	ZL200920132861.X	11 June 2019
Connecting device between molding and printing	TK Precision Plastics	Utility model	ZL201020182885.9	4 May 2020
Structure of lifter sticking to rib	TK Precision Plastics	Utility model	ZL201120328688.8	1 September 2021
In-mold degating device	TK Precision Plastics	Utility model	ZL201020182897.1	4 May 2020
A device to prevent material sucking back into baker	TK Precision Plastics	Utility model	ZL201120558207.2	27 December 2021
Structure to quickly changing the tooling	TK Precision Plastics	Utility model	ZL201120558236.9	27 December 2021
Structure of vacuumizing the tooling cavity	TK Precision Plastics	Utility model	ZL201120558237.3	27 December 2021
A cup support for LED crystal glass	TK Precision Plastics	Utility model	ZL201220396817.1	9 August 2022
Structure of Ejector pin penetrating through the cooling line	TK Precision Plastics	Utility model	ZL201120328670.8	2 September 2021
Mini automatic device of cutting protective film and milling gate	TK Precision Plastics	Utility model	ZL201220600020.9	14 November 2022

- (ii) As at the Latest Practicable Date, our Group has applied for registration of the following patents in the PRC:

<u>Title of Patent</u>	<u>Patent Owner</u>	<u>Type</u>	<u>Patent Number</u>
Structure of Ejector pin penetrating through the cooling line	TK Precision Plastics	Invention	201110258882.8
A cup support for LED crystal glass	TK Precision Plastics	Invention	201210284784.6

(c) *Domain names*

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

<u>Domain name</u>	<u>Registered proprietor</u>	<u>Date of Registration</u>	<u>Expiry Date</u>
tkmold.com	TK Precision Plastics	15 March 2001	14 March 2014
tkplast.com	TK Precision Plastics	13 April 2001	13 March 2014

3. Further information on our PRC operating entities

Our Company has the following subsidiaries in the PRC, the basic information of which as at the Latest Practicable Date is set out below:

1. YD Mold

Nature:	wholly foreign-owned company
Date of incorporation:	18 November 2010
Term of operation:	From 18 November 2010 to 18 November 2020
Total investment amount:	HK\$10 million
Registered capital	HK\$10 million
Attributed interest of our Group:	100%

2. TK Mold (Shenzhen)

Nature:	wholly foreign-owned company
Date of incorporation:	5 March 2012
Term of operation:	from 5 March 2012 to 5 March 2062
Total investment amount:	HK\$230 million
Registered capital	HK\$132 million
Attributed interest of our Group:	100%

3. TK Plastics Products (Suzhou)

Nature:	wholly foreign-owned company
Date of incorporation:	1 March 2010
Term of operation:	from 1 March 2010 to 29 February 2060
Total investment amount:	HK\$14 million
Registered capital	HK\$10 million
Attributed interest of our Group:	100%

4. TK Precision Plastics

Nature:	wholly foreign-owned company
Date of incorporation:	1 March 2013
Term of operation:	from 1 March 2013 to 1 March 2023
Total investment amount:	HK\$230 million
Registered capital	HK\$166 million
Attributed interest of our Group:	100%

C FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS OF OUR COMPANY

1. Directors

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

Immediately following completion of the Global Offering and the Capitalisation Issue without taking into account the Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, the interest or short position of Directors or chief executives of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to our Company and Stock Exchange, once the Shares are listed are as follows:

(i) *Interest in our Company*

<u>Name of Director</u>	<u>Capacity/Nature of Interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Mr. Li	Interest in controlled corporation (<i>note</i>)	494,400,000 (long position)	61.80%
Mr. Yung	Interest in controlled corporation (<i>note</i>)	53,760,000 (long position)	6.72%
Mr. Lee	Interest in controlled corporation (<i>note</i>)	51,840,000 (long position)	6.48%

Note:

We are held as to approximately 51.0%, 10.8%, 6.72% and 6.48% by Eastern Mix, Lead Smart, Cheer Union and Normal Times. Eastern Mix is interested in 408,000,000 Shares and is held as to 45.0%, 28.0% and 27.0% by Mr. Li, Mr. Yung and Mr. Lee, respectively. Lead Smart is interested in 86,400,000 Shares and is wholly-owned by Mr. Li. Cheer Union is interested in 53,760,000 Shares and is wholly-owned by Mr. Yung. Normal Times is interested in 51,840,000 Shares and is wholly-owned by Mr. Lee. As Mr. Li is interested in 45.0% of Eastern Mix, Mr. Li is deemed to be interested in the Shares held by Eastern Mix under Part XV of the SFO.

(ii) Interest in associated corporations

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Number of shares</u>	<u>Approximate percentage of shareholding</u>
Mr. Li	Eastern Mix	22,500	45.0%
Mr. Yung	Eastern Mix	14,000	28.0%
Mr. Lee	Eastern Mix	13,500	27.0%
Mr. Li	Lead Smart	50,000	100.0%
Mr. Yung	Cheer Union	50,000	100.0%
Mr. Lee	Normal Times	50,000	100.0%

(b) Particulars of our Directors' service contracts

Each of our executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than one month's notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of our Directors as set out in the Articles of Association.

Each of our executive Directors is entitled to a director's fee. Each executive Director shall be paid a remuneration on the basis of twelve months in a year. In addition, each of our executive Directors is also entitled to bonus as determined by the Board. The current annual director's fees and remuneration of our executive Directors are as follows:

<u>Name of Directors</u>	<u>Approximate annual Director's fee</u>
	<i>(HK\$)</i>
Mr. Li	2,160,000
Mr. Yung	1,920,000
Mr. Lee	1,440,000
Mr. Cheung	1,326,000

Each of our independent non-executive Directors have been appointed for a term of one year from the Listing Date. Our Company intends to pay a director's fee of HK\$240,000 per annum to each of our independent non-executive Directors.

Save as disclosed above, none of our Directors has or is proposed to have a service contract with our Company or any of its 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

The aggregate emoluments paid and benefits in kind granted by our Group to our Directors in respect of the financial year ended 31 December 2012 was approximately HK\$12.0 million.

Under the arrangement currently in force, the aggregate amount of emoluments payable by our Group to our Directors (including independent non-executive Directors) for the year ending 31 December 2013, are expected to be approximately HK\$6.1 million.

None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three years ended 31 December 2012 as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for 2010, 2011 and 2012.

2. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Global Offering and Capitalisation issue without taking into account the Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, the following persons (other than a Director or chief executive of our Company) will have or be deemed or taken to have an interest and/or short position in the Shares or the underlying Shares which would fall to be disclosed under the provisions of Division 2 and 3 of Part XV of the SFO or are directly or indirectly, interested in 10% or more of the nominal value of any class of the share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group:

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding in our Company
Eastern Mix (<i>note 1</i>)	Beneficial owner	408,000,000 (long position)	51.00%
Lead Smart (<i>note 2</i>)	Beneficial owner	86,400,000 (long position)	10.80%
Cheer Union (<i>note 3</i>)	Beneficial owner	53,760,000 (long position)	6.72%

Name of Shareholder	Capacity/Nature of Interest	Number of Shares	Approximate percentage of shareholding in our Company
Normal Times (<i>note 4</i>)	Beneficial owner	51,840,000 (long position)	6.48%
Mr. Li (<i>note 1,2</i>)	Interest in controlled corporation	494,400,000 (long position)	61.80%
Mr. Yung (<i>note 3</i>)	Interest in controlled corporation	53,760,000 (long position)	6.72%
Mr. Lee (<i>note 4</i>)	Interest in controlled corporation	51,840,000 (long position)	6.48%

Notes:

1. Eastern Mix is owned by Mr. Li, Mr. Yung and Mr. Lee as to 45.0%, 28.0% and 27.0%, respectively. For the purpose of Part XV of the SFO, Mr. Li, is interested in over 30% issued shares of Eastern Mix and is deemed to be interested in the Shares held by Eastern Mix.
2. Lead Smart is wholly-owned by Mr. Li. For the purpose of Part XV of the SFO, Mr. Li is deemed to be interested in the Shares held by Lead Smart.
3. Cheer Union is wholly-owned by Mr. Yung. For the purpose of Part XV of the SFO, Mr. Yung is deemed to be interested in the Shares held by Cheer Union.
4. Normal Times is wholly-owned by Mr. Lee. For the purpose of Part XV of the SFO, Mr. Lee is deemed to be interested in the Shares held by Normal Times.

3. Disclaimers

Save as disclosed herein:

- (a) none of our Directors or chief executives of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporation (within the meaning 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 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 Companies once the Shares are listed;
- (b) none of our Directors nor experts referred to under the section headed “Other Information—Consents of experts” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this prospectus been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (c) none of our Directors nor experts referred to under the section headed “Other Information—Consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (d) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (e) taking no account of Shares which may be issued upon the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, none of our Directors are aware of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the Global Offering and the Capitalisation Issue, have an interest or short position in the Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, 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 our Group;
- (f) none of the experts referred to under the heading “Other Information—Consents of experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (g) so far as is known to our Directors, none of our Directors, their respective associates or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of the Group; and
- (h) none of our Directors has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of our Group.

4. Related party transactions

During the three financial years preceding the date of this prospectus, our Group had engaged in the related party transactions as mentioned in the paragraph headed the “Related party transactions” set out in Appendix I of this prospectus.

D OTHER INFORMATION**1. Share Option Scheme**

The following is a summary of principal terms of the Share Option Scheme. The terms of the Share Option Scheme are in accordance with the provision of Chapter 17 of the Listing Rules.

(a) Purpose

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

- (i) motivate Eligible Participants to optimise their performance efficiency for the benefit of the Group; and
- (ii) attract and retain or otherwise maintain on-going business relationship with 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 and subject to such conditions as it thinks fit, 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 (e) below to:

- (i) any full-time or part-time employees, executives or officers of the Company or any of its subsidiaries;
- (ii) any directors (including executive, non-executive directors and independent non-executive directors) of the Company or any of its subsidiaries;
- (iii) any advisers, consultants, suppliers, customers and agents to the Company or any of its subsidiaries; and
- (iv) related entities who, in the sole opinion of the Board, will contribute or have contributed to the Group.

(Collectively, the “Eligible Participants”)

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

(c) Maximum number of Shares

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of the Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering, or 80,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to the Over-allotment Option and options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of the Company). Subject to the issue of a circular by the 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 as at the date of the approval by the Shareholders in general meeting; and/or
- (ii) grant options beyond the 10% limit to Eligible Participants specifically identified by the Board. The circular issued by the Company to the Shareholders shall contain a generic description of 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 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 the Company at any time shall not exceed 30% of the Shares in issue from time to time. No options shall be granted under any schemes of the Company (including the Share Option Scheme) if this will result in the 30% limit being exceeded. The maximum number of Shares in respect of which options may be granted shall be adjusted, in such manner as the auditors of the Company or an approved independent financial adviser shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company in accordance with paragraph (q) below whether by way of consolidation, capitalisation issue, rights issue, sub-division or reduction of the share capital of the Company but in no event shall exceed the limit prescribed in this paragraph.

(d) 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 the Company (including both exercised and outstanding options) 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 the 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 subscription 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.

(e) Price of Shares

The subscription 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 official 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 official 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.

(f) Granting options to connected persons

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of the Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is 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) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules 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 official closing price of the Shares at the date of each grant.

Such further grant of options will be subject to the issue of a circular by the Company and the approval of the Shareholders in general meeting on a poll at which all connected persons (as defined in the Listing Rules) of the 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 the 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 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.

(g) Restrictions on the times of grant of Options

A grant of options may not be made after inside information has come to its knowledge until the Board has announced the information. In particular, no options may be granted during the period commencing one month immediately before the earlier of:

- (i) the date of the Board meeting (as such date to first notified to the Stock Exchange under the Listing Rules) for approving the Company's annual, half-year, quarterly or other interim period results (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to announce its annual or half-year, or quarterly or other interim period results (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement.

Where the grant of Options is to a director:

- (i) no options shall be granted during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(h) Rights are personal to grantee

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

(i) 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 10 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 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by the Company in general

meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption. There is no minimum period for which an option must be held before it can be exercised.

(j) 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.

(k) Rights on ceasing employment or death

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries:

- (i) by any reason other than death or termination of his employment on the grounds specified in paragraph (l) below, his option to the extent not already exercised on the date of such cessation (which date shall be the last actual working day with our Group or the related entity whether salary is paid in lieu of notice or not) shall lapse automatically on the date of cessation; or
- (ii) by reason of death, his personal representative(s) may exercise the option within a period of 12 months from such cessation, which date shall be the last actual working day with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not, failing which it will lapse.

(l) Rights on dismissal

If the grantee of an option ceases to be an employee of the Company or any of its subsidiaries on the grounds that he has been guilty of serious misconduct, or in relation to an employee of the Group (if so determined by the Board) on any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group, or has been convicted of any criminal offence involving his integrity or honesty or he has become insolvent, bankrupt or has made arrangements with creditors, his option will lapse and not be exercisable after the date of termination of his employment.

(m) 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 Codes)) 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.

(n) Rights on winding-up

In the event a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall forthwith give notice thereof to all 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 the Company referred to above by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the 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.

(o) Rights on compromise or arrangement between the Company and its members or creditors

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the 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 shall be entitled to exercise all or any of his options in whole or in part at any time prior to 12 noon (Hong Kong time) on the business day immediately preceding the date of the meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there are more than one meeting for such purpose, the date of the first meeting.

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.

(p) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will rank *pari passu* in all respects 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.

(q) *Effect of alterations to capital*

In the event of any alteration in the capital structure of the Company whilst any option may become or remains exercisable, whether by way of capitalisation issue, rights issue, open offer, consolidation, sub-division or reduction of share capital of the Company, or otherwise howsoever, 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 as the auditors of the Company 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 issued by the Stock Exchange on 5 September 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of the Company for which any grantee of an option is entitled to subscribe pursuant to options held by him before such alteration and the aggregate subscription price payable on 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.

(r) *Expiry of option*

An option shall lapse automatically and 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 (k), (l), (m), (n) or (o);
- (iii) the date on which the scheme of arrangement of the Company referred to in paragraph (o) becomes effective;

- (iv) subject to paragraph (n), the date of commencement of the winding-up of the Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of the Company or any of its subsidiaries or the termination of his or her employment or contract on any one or more of the grounds that he or she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his or her integrity or honesty, or in relation to an employee of the Group (if so determined by the Board) or any other ground on which an employee would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with the Group. 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 on which the Board shall exercise the Company's right to cancel the option at any time after the grantee commits a breach of paragraph (h) above or the options are cancelled in accordance with paragraph (t) below.

(s) *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 Eligible Participants (as the case may be) in respect of matters contained in Rule 17.03 of the Listing Rules; and
- (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 the amended terms of the Share Option Scheme shall still comply with Chapter 17 of the Listing Rules. 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.

(t) *Cancellation of Options*

Subject to paragraph (h) above, any cancellation of options granted but not exercised must be approved by the grantees of the relevant options in writing.

(u) Termination of the Share Option Scheme

The Company may by resolution in general meeting or the Board 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.

(v) 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.

(w) Condition of the Share Option Scheme

The Share Option Scheme is conditional on:

- (i) the Listing Committee 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 Agreements becoming unconditional (including, if relevant, as result of the waiver of any such condition(s)) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;
- (iii) the approval of the rules of the Share Option Scheme by the Shareholders in general meeting; and
- (iv) the commencement of dealings in Shares on the Stock Exchange.

(x) 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.

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

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 for the listing of and permission to deal in Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme.

(z) *Value of options*

The Directors consider it inappropriate to value the options that can be granted under the Share Option Scheme on the assumption that they had been granted at the Latest Practicable Date, as various determining factors for the calculation of such value cannot be reasonably fixed at this stage. It would not be meaningful and to a certain extent would be misleading to the Shareholders if the value of the options is calculated based on a set of speculative assumptions. However, the information on value of the options granted in any financial period will be provided to the Shareholders based on Black-Scholes option pricing model, the binomial model or a comparable generally accepted methodology as at the end of relevant financial period for any annual or interim reports of our Company.

2. Estate duty, tax and other indemnities

The Ultimate Shareholders have entered into a deed of indemnity with and in favour of each member of our Company (being the contract referred to in the section headed “Summary of material contracts” in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, (i) taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which any member of our Group may be subject and payable on or before the Listing Date; and (ii) any losses suffered or incurred by any member of our Group arising out of any non-tax claims against any member of our Group to the extent that such losses relate to acts or omission or transactions entered into by any member of our Group on or prior to the Listing Date. Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries.

Each of the Ultimate Shareholders has also jointly and severally undertaken to indemnify and keep each of our Group members fully indemnified against all claims, losses, liabilities, damages, costs, charges, fees, expenses, fines suffered or incurred by any of our Group members as a result of or in connection with any of the following:

- (a) the use of the land owned by TK Technology (Shenzhen) by any of our Group members as tenants, as TK Technology (Shenzhen) has not obtained the approval from the Guangming Administration Bureau of the Urban Planning Land and Resources Commission of Shenzhen Municipality (深圳市規劃和國土資源委員會光明管理局) in relation to the rental of Shenzhen Tangjia Plants;

- (b) the use of the Shenzhen Yulu Plant A by any of our Group members as tenants, as the landlord of Shenzhen Yulu Plant A does not have the property title documents with respect to the Shenzhen Yulu Plant A;
- (c) any non-compliance matters incurred before the Listing as referred to in the section headed “Business—Legal Proceedings and Regulatory Compliance; and
- (d) any tax liability in relation to the Reorganisation as referred to in the section headed “History, Reorganisation and Corporate Structure—Corporate Reorganisation”.

3. Litigation

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

4. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of and permission to deal in the Shares in issue and to be issued as mentioned herein, including any such number of Shares falling to be issued pursuant to the exercise of the Over-allotment Option and of options which may be granted under the Share Option Scheme. All necessary arrangements have been made enabling the Shares to be admitted into CCASS.

5. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$20,000 and are payable by our Company.

6. Promoter

- (a) Our Company has no promoter for the purpose 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 any promoters of our Company in connection with the Global Offering or the related transactions described in this prospectus.

7. Agency fees or commissions received

The Underwriters will receive an underwriting commission on 2.5% 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 Sole Sponsor will also receive fees relating to the Global Offering.

8. Qualification of experts

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

<u>Name</u>	<u>Qualifications</u>
China Merchants Securities (HK) Co., Limited	A licensed corporation under the SFO permitted to engage in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities (as defined under the SFO)
PricewaterhouseCoopers	Certified Public Accountants
Hills & Co.	PRC legal advisers
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands legal advisers
Ipsos Hong Kong Limited	an independent market research and consulting company

9. Consents of experts

Each of the experts referred to in paragraph 8 above has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and/or the references to its name included herein in the form and context in which it is respectively included.

10. Binding effect

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

11. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) our Group has no outstanding convertible debt securities or debentures;
 - (iv) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 - (v) no founders, management or deferred shares of our Company or, any of its subsidiaries have been issued or agreed to be issued;
 - (vi) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of its subsidiaries;
- (b) none of the persons named in the paragraph headed “Consents of experts” in this Appendix is interested beneficially or otherwise in any shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any securities in any member of our Group;
- (c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2013 (being the date to which the latest audited combined financial statements of our Group were made up);
- (d) our Directors confirm that there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;
- (e) the principal register of members of our Company will be maintained in the Cayman Islands by Codan Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Unless our Directors otherwise agree, all

transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands;

- (f) no member of our Group is presently listed on any stock exchange or traded on any trading system;
- (g) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (h) there is no arrangement under which future dividends are waived or agreed to be waiver;
- (i) all necessary arrangement have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

12. 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).