

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

Our Company was incorporated in the Cayman Islands under the Cayman Islands Companies Law as an exempted company with limited liability on 14 June 2013. Our Company has established a place of business in Hong Kong at 8th Floor, West Gate Tower, Lai Chi Kok, Kowloon, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 5 February 2014. In connection with such registration, Mr. Chan Yiu Sing 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 our Company was incorporated in the Cayman Islands, its operations are subject to the Cayman Islands company law and its constitution, which comprises the Memorandum and the Articles. A summary of certain provisions of its constitution and relevant aspects of the Cayman Islands company law is set out in Appendix IV to this prospectus.

2. Changes in authorised and issued share capital of our Company

- (a) The authorised share capital of our Company as at the date of its incorporation on 14 June 2013 was HK\$390,000 divided into 39,000,000 shares of HK\$0.01 each, of which one Share was allotted and issued to the subscriber, which was then transferred to Grandview on the same day.
- (b) On the same date, 331,499 Shares, 39,000 Shares and 19,500 Shares were allotted and issued at par value to Grandview, Sunbrilliant and Lakefront, respectively.
- (c) On 12 December 2013, 331,500 Shares, 39,000 Shares and 19,500 Shares were further allotted and issued at par value to Grandview, Sunbrilliant and Lakefront, respectively.
- (d) On 8 May 2014, the authorised share capital of our Company was increased from HK\$390,000 to HK\$500,000,000 by the creation of an additional 49,961,000,000 Shares of HK\$0.01.
- (e) Immediately following the completion of the Capitalisation Issue and the International Offering (taking no account of our Shares which may be issued pursuant to the Over-allotment Option and that none of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme is exercised), the authorised share capital of our Company will be HK\$500,000,000 divided into 50,000,000,000 Shares, of which 1,000,000,000 Shares will be allotted and issued, fully paid or credited as fully paid and 49,000,000,000 Shares will remain unissued.

Other than our Shares issuable pursuant to the exercise of the Over-allotment Option or any options which may fall to be granted under the Pre-IPO Share Option Scheme and the Share Option Scheme, or the exercise of the general mandate referred to in the paragraph headed “— A. Further information about our Company and our subsidiaries — 3. Resolutions in writing of all Shareholders passed on 8 May 2014” in this Appendix, our Directors at present have no intention to issue to any party any of the authorised but unissued 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 in this prospectus, there has been no other alterations in the share capital of our Company since its incorporation.

3. Resolutions in writing of all Shareholders passed on 8 May 2014

Pursuant to the written resolutions passed by our Shareholders on 8 May 2014, *inter alia*:

- (a) the Memorandum of Association were adopted with immediate effect and the Articles of Association were conditionally approved and adopted;
- (b) conditional on (A) the Listing Committee granting the listing of, and permission to deal in, our Shares in issue and our Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the Global Offering, the Over-allotment Option and the Pre-IPO Share Option Scheme and the Share Option Scheme); and (B) the entering into of the agreement on the Offer Price between the Sole Global Coordinator and our Company; and (C) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole Global Coordinator) and not being terminated in accordance with the terms of such agreement or otherwise, in each case on or before the date determined in accordance with the terms of the Underwriting Agreements;
 - (i) the Global Offering was approved and our Directors were authorised to effect the same and to allot and issue the Offer Shares;
 - (ii) the Over-allotment Option was approved and our Directors were authorised to allot and issue any Shares which may be required to be issued if the Over-allotment Option is exercised;
 - (iii) the rules of the Pre-IPO Share Option Scheme and the Share Option Scheme were approved and adopted and our Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares under the Pre-IPO Share Option Scheme and the Share Option Scheme and to allot, issue and deal with Shares issued pursuant thereunder and to take all such steps as they consider necessary or desirable to implement the Pre-IPO Share Option Scheme and the Share Option Scheme and to vote any matter connected therewith notwithstanding that they or any of them may be interested in the same;
 - (iv) conditional upon the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorised to capitalise the amount of HK\$7,488,300 from the amount standing to the credit of the share premium account of our Company to pay up in full at par 748,830,000 Shares for allotment and issue to the person(s) whose name(s) appears on the register of members of our Company at the close of business on 8 May 2014, pro-rata to its/their then existing shareholdings in our Company;
- (c) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (otherwise than by way of rights issue or an issue of shares upon the exercise of any subscription or conversion rights attached to any warrants or any securities which are convertible into Shares or pursuant to the exercise of any options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme, any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of its subsidiaries or any other person of share or rights to acquire Shares or 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 a specific authority granted by our Shareholders in general meeting) Shares with a total nominal value not exceeding 20% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue (excluding any Shares that may be issued upon exercise of the Over-allotment Option), such mandate to remain in effect until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of our Shareholders in general meeting revoking, varying or renewing such mandate;
- (d) a general unconditional mandate (the “**Repurchase 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 stock exchange on which our Shares may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares with a total nominal value not exceeding 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest on:
- (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of our Shareholders in general meeting, revoking, varying or renewing such mandate;
- (e) the Repurchase Mandate 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 Repurchase Mandate provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Global Offering.

4. Reorganisation

The companies comprising our Group underwent a Reorganisation in preparation for the Listing, details of which are set out in the section headed “History, Reorganisation and Corporate

Structure — Reorganisation” in this prospectus. Following the Reorganisation, our Company became the holding company of our Group.

A diagram showing our Group structure after the Reorganisation and immediately upon completion of the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme) is set out in the section headed “History, Reorganisation and Corporate Structure — Corporate structure” in this prospectus.

5. Changes in share capital of our subsidiaries

The subsidiaries of our Company are referred to in the Accountants’ 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” in this prospectus, there has been no alteration in the share capital of our subsidiary within two years immediately preceding the date of this prospectus.

6. Particulars of our PRC subsidiaries

Our Group has interests in two PRC subsidiaries. Set out below is a summary of the corporate information of these subsidiaries.

(a) Dongguan BPT

Date of establishment	:	24 February 2003
Registered office	:	Xinsha Port Industry Park, Machong Town, Dongguan City, Guangdong Province, the PRC
Nature	:	Limited liability company
Term	:	24 February 2003 to 23 February 2023
Registered capital	:	HK\$662,890,000
Investment capital	:	HK\$846,890,000
Registered owner	:	BPT
Legal representative	:	Mr. Lu
Scope of business	:	High quality fabric weaving and finishing (including warp knitting high quality fabric, dyeing and ancillary processing, washing process). Establish research and development center in high quality fabric research and development

(b) Dongguan NHE

Date of establishment	:	18 May 2010
Registered office	:	Baihao Industrial Zone, Houjie Town, Dongguan City, Guangdong Province, the PRC
Nature	:	Limited liability company
Term	:	18 May 2010 to 18 May 2025
Registered capital	:	HK\$173,000,000
Investment capital	:	HK\$173,000,000
Registered owner	:	New Horizon Investment
Legal representative	:	Mr. Lu
Scope of business	:	Production and sale of elastic webbing and lace (without washing dyeing process)

7. Repurchase by our Company of its own securities

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) Provisions of the Listing Rules

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

(i) Shareholders' approval

All proposed repurchases of securities (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 shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

Note: Pursuant to the resolutions in writing passed by our Shareholders on 8 May 2014, 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 (assuming the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), at any time until (aa) the conclusion of the next annual general meeting of our Company, (bb) 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 Memorandum and Articles of Association to be held; or (cc) 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*

Any repurchases must be financed out of funds legally available for such purpose in accordance with the Memorandum and Articles and any applicable laws of the Cayman Islands. A listed company is prohibited from repurchasing its own securities on the Main Board 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.

(b) *Exercise of the Repurchase Mandate*

Exercise in full of the Repurchase Mandate, on the basis of 1,000,000,000 Shares in issue immediately after completion of the Global Offering (but without taking into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and any options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), could accordingly result in up to 100,000,000 Shares being repurchased by our Company during the course of the period prior to the earliest of:

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

(c) *Reasons for repurchases*

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

(d) *Funding of repurchases*

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

Pursuant to the Repurchase Mandate, any repurchase of Shares will be made out of funds of our Company legally permitted to be utilised in this connection, including profits of our Company, share premium or the proceeds from a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles and subject to the Companies Law, out of capital of our Company.

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

(e) *General*

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

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) currently intends to sell any Shares to our Company.

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

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

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong (the "Code"). As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Code), depending on the level of increase in the interests of the Shareholder(s), could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Code. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Code due to any repurchase made pursuant to the Repurchase Mandate immediately after the Listing.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

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

- (a) the equity transfer agreement dated 28 May 2012 entered into between Dongguan NHE and Dongguan Runda, pursuant to which Dongguan NHE agreed to acquire certain equipment from Dongguan Runda at a consideration of approximately RMB8.6 million;
- (b) the equity transfer agreement dated 16 July 2012 entered into between Dongguan NHE and Dongguan Runda, pursuant to which Dongguan NHE agreed to acquire certain equipment from Dongguan Runda at a consideration of approximately RMB2.7 million;
- (c) the sale and purchase agreement dated 12 December 2013 entered into between BPT Holdings and Lu Huigen, pursuant to which Lu Huigen agreed to acquire 10,000 shares of HK\$1.00 each in Deluxe Royal from BPT Holdings for a consideration of HK\$10,000;
- (d) the instrument of transfer dated 16 January 2014 pursuant to which Grandview transferred 85 shares in BPT International to BPT Holdings in consideration of the allotment and issue of 7,000 shares of US\$1.00 each in BPT Holdings to Grandview;

- (e) the sale and purchase agreement dated 16 January 2014 entered into between Sunbrilliant, Lakefront and BPT Holdings, pursuant to which BPT Holdings acquired 10 shares and 5 shares in BPT International (representing 10% and 5% of the issued share capital of BPT International, respectively), from Sunbrilliant and Lakefront respectively, the consideration of which was settled by the allotment and issuance of 2,000 shares and 1,000 shares in BPT Holdings, respectively, at the subscription price of US\$2,000 and US\$1,000, respectively;
- (f) the sale and purchase agreement dated 16 January 2014 entered into between Grandview, Sunbrilliant, Lakefront and our Company, pursuant to which our Company acquired 17,000 shares, 2,000 shares and 1,000 shares in BPT Holdings (representing 85%, 10% and 5% of the issued share capital of BPT Holdings, respectively), from Grandview, Sunbrilliant and Lakefront, respectively, the consideration of which was settled by the allotment and issuance of 331,500 Shares, 39,000 Shares and 19,500 Shares, respectively, at the subscription price of HK\$3,315, HK\$390 and HK\$195, respectively;
- (g) the deed of transfer dated 16 January 2014 entered into between Mr. Zhang, Mr. Wu, Mr. Lu Canping (“**Mr. CP Lu**”), Mr. Lu Jianye (“**Mr. JY Lu**”) and BPT Holdings, pursuant to which (a) Mr. Zhang (as the beneficial owner) and Mr. CP Lu (as the legal owner and trustee of Mr. Zhang) transferred 1,000 shares in BPT (representing 10% of the issued share capital of BPT) to BPT Holdings at nil consideration; and (b) Mr. Wu (as the beneficial owner) and Mr. JY Lu (as the legal owner and trustee of Mr. Wu) transferred 500 shares in BPT (representing 5% of the issued share capital of BPT) to BPT Holdings at nil consideration;
- (h) the instrument of transfer dated 16 January 2014, pursuant to which Mr. CP Lu (as the legal owner) transferred 8,500 shares in BPT to BPT Holdings (as the beneficial owner) at nil consideration;
- (i) the Deed of Indemnity;
- (j) the Deed of Non-Competition; and
- (k) the Hong Kong Underwriting Agreement.

2. Intellectual property rights of our Group

(a) Trademarks

- (i) As at the Latest Practicable Date, we had registered the following trademarks which are material in relation to our Group’s business:

<u>Trademark</u>	<u>Name of registrant</u>	<u>Class</u>	<u>Trademark number</u>	<u>Effective period</u>	<u>Place of registration</u>
超盈紡織	Dongguan BPT	22	7499513	14 November 2010 to 13 November 2020	PRC
超盈紡織	Dongguan BPT	23	7499527	14 November 2010 to 13 November 2020	PRC
超盈紡織	Dongguan BPT	24	7502678	7 November 2010 to 6 November 2020	PRC

<u>Trademark</u>	<u>Name of registrant</u>	<u>Class</u>	<u>Trademark number</u>	<u>Effective period</u>	<u>Place of registration</u>
超盈紡織	Dongguan BPT	26	7502696	7 November 2010 to 6 November 2020	PRC
nanodesign	Dongguan BPT	24	7583085	7 September 2011 to 6 September 2021	PRC
BPT	Dongguan BPT	22	7745696	28 December 2010 to 27 December 2020	PRC
BPT	Dongguan BPT	23	7745716	28 December 2010 to 27 December 2020	PRC
BPT	Dongguan BPT	24	7745736	28 December 2010 to 27 December 2020	PRC
BPT	Dongguan BPT	26	7745757	28 December 2010 to 27 December 2020	PRC
	Dongguan BPT	22	7745783	28 October 2010 to 27 October 2020	PRC
	Dongguan BPT	22	7747264	7 December 2010 to 6 December 2020	PRC
	Dongguan BPT	22	7748476	7 December 2010 to 6 December 2020	PRC
	Dongguan BPT	22	7748626	7 December 2010 to 6 December 2020	PRC
NHE	Dongguan NHE	22	7717607	28 November 2010 to 27 November 2020	PRC
NHE	Dongguan NHE	23	7717625	28 November 2010 to 27 November 2020	PRC
NHE	Dongguan NHE	24	7719248	7 December 2010 to 6 December 2020	PRC
NHE	Dongguan NHE	26	7719328	7 December 2010 to 6 December 2020	PRC

(ii) As at the Latest Practicable Date, we had applied for registration of the following trademarks:

<u>Trademark</u>	<u>Name of Applicant</u>	<u>Class</u>	<u>Application Number</u>	<u>Application Date</u>	<u>Place of Registration</u>
Best Pacific	Company	22, 23, 24, 25, 26	302722789	30 August 2013	Hong Kong

(b) Patents

As at the Latest Practicable Date, we had registered the following patents in the PRC which are material in relation to our Group's business:

<u>Title</u>	<u>Type</u>	<u>Name of applicant</u>	<u>Patent number</u>	<u>Effective period</u>	<u>Place of application</u>
A knitted structure reinforced fabric (一種織物結構加強的針織物)	Utility model	Dongguan BPT	ZL 200720095159.1	2 February 2007 to 1 February 2017	PRC
A elastomeric fabric and related products with memory function (一種具有伸縮記憶功能的織物及其製品)	Utility model	Dongguan BPT	ZL 201020200558.1	24 May 2010 to 23 May 2020	PRC
A warp knitted elastic fabric (一種經編彈性織物)	Utility model	Dongguan BPT	ZL 201220547482.9	24 October 2012 to 23 October 2022	PRC
A torn-resistant elastic fabric (一種耐撕裂彈性織物)	Utility model	Dongguan BPT	ZL 201220547458.5	24 October 2012 to 23 October 2022	PRC
A silk-like elastic fabric (一種仿絲綢彈性織物)	Utility model	Dongguan BPT	ZL201220547456.6	24 October 2012 to 23 October 2022	PRC
A lace yarn rack (一種花邊機紗線架)	Utility model	Dongguan BPT	ZL201320357303.X	20 June 2013 to 19 June 2023	PRC
Lace (jacquard N12-10C016) (花邊織物 (賈卡 N12-10C016))	Appearance design	Dongguan BPT	ZL201330422088.2	2 September 2013 to 1 September 2023	PRC
Lace (jacquard Q12-11J027R2) (花邊織物 (賈卡 Q12-11J027R2))	Appearance design	Dongguan BPT	ZL201330466270.8	29 September 2013 to 28 September 2023	PRC
Lace (jacquard Q12-12J030R1) (花邊織物 (賈卡 Q12-12J030R1))	Appearance design	Dongguan BPT	ZL201330400573.X	21 August 2013 to 20 August 2023	PRC

<u>Title</u>	<u>Type</u>	<u>Name of applicant</u>	<u>Patent number</u>	<u>Effective period</u>	<u>Place of application</u>
Lace (jacquard Q12-08Z005) (花邊織物 (賈卡 Q12-08Z005))	Appearance design	Dongguan BPT	ZL201330400426.2	21 August 2013 to 20 August 2023	PRC
Lace (jacquard Q12-07J007) (花邊織物 (賈卡 Q12-07J007))	Appearance design	Dongguan BPT	ZL201330381463.3	9 August 2013 to 8 August 2023	PRC
Lace (jacquard N12-07C007) (花邊織物 (賈卡 N12-07C007))	Appearance design	Dongguan BPT	ZL201330422357.5	2 September 2013 to 1 September 2023	PRC
Lace (jacquard N12-09C013) (花邊織物 (賈卡 N12-09C013))	Appearance design	Dongguan BPT	ZL201330341367.6	19 February 2013 to 18 February 2023	PRC
Lace (jacquard Q12-09J016R1) (花邊織物 (賈卡 Q12-09J016R1))	Appearance design	Dongguan BPT	ZL201330341389.2	19 July 2013 to 18 July 2023	PRC
Lace (jacquard Q12-09K009R1) (花邊織物(賈卡 Q12-09K009R1))	Appearance design	Dongguan BPT	ZL 201330071817.4	20 March 2013 to 19 March 2023	PRC
Lace (jacquard Q12-07J007 wave edge 20) (花邊織物(賈卡Q12-07J007 波邊20))	Appearance design	Dongguan BPT	ZL 201330381168.8	9 August 2013 to 8 August 2023	PRC
Lace (jacquard Q12-07J007 wave edge 24) (花邊織物 (賈卡Q12-07J007波邊24))	Appearance design	Dongguan BPT	ZL 201330381391.2	9 August 2013 to 8 August 2023	PRC
Lace (jacquard Q12-08Z002R4) (花邊織物 (賈卡 Q12-08Z002R4))	Appearance design	Dongguan BPT	ZL201330381165.4	9 August 2013 to 8 August 2023	PRC
Lace (jacquard N13-07M006) (花邊織物 (賈卡 N13-07M006))	Appearance design	Dongguan BPT	ZL201330400402.7	21 August 2013 to 20 August 2023	PRC

<u>Title</u>	<u>Type</u>	<u>Name of applicant</u>	<u>Patent number</u>	<u>Effective period</u>	<u>Place of application</u>
Lace (jacquard N12-08M012) (花邊織物(賈卡 N12-08M012))	Appearance design	Dongguan BPT	ZL201330422520.8	2 September 2013 to 1 September 2023	PRC
Lace (jacquard Q12-09Z007R1) (花邊織物(賈卡 Q12-09Z007R1))	Appearance design	Dongguan BPT	ZL201330422482.6	2 September 2013 to 1 September 2023	PRC
Lace (jacquard Q13-02K032) (花邊織物 (賈卡 Q13-02K032))	Appearance design	Dongguan BPT	ZL201330422499.1	2 September 2013 to 1 September 2023	PRC
A knitted structure-reinforced fabric (一種織物結構加強的管狀織物)	Utility model	Dongguan NHE	ZL200720096105.7	23 May 2007 to 22 May 2017	PRC
A traceless wire casing elastic webbing (一種無痕鋼圈織帶)	Utility model	Dongguan NHE	ZL200920061972.6	7 August 2009 to 6 August 2019	PRC
A full spandex woven elastic webbing (一種氨綸梭織織帶)	Utility model	Dongguan NHE	ZL200920061952.9	7 August 2009 to 6 August 2019	PRC
A bonding elastic material (一種貼合彈性織物)	Utility model	Dongguan NHE	ZL200920061953.3	7 August 2009 to 6 August 2019	PRC
An Anti-Penetration wire casing elastic webbing (一種抗頂破的鋼圈織帶)	Utility model	Dongguan NHE	ZL200920194430.6	10 September 2009 to 9 September 2019	PRC
An elastic webbing (織帶)	Appearance design	Dongguan NHE	ZL200930251083.1	21 October 2009 to 20 October 2019	PRC
A stretch-resistant elastic webbing (一種高回彈彈性織帶)	Utility model	Dongguan NHE	ZL200920265251.7	16 December 2009 to 15 December 2019	PRC
An elastic webbing with variable width (一種新型的寬窄織帶)	Utility model	Dongguan NHE	ZL201220337167.3	12 July 2012 to 11 July 2022	PRC

(c) *Domain name*

As at the Latest Practicable Date, we had registered the following domain name:

<u>Domain name</u>	<u>Registrant</u>	<u>Expiry date</u>	<u>Place of application</u>
www.bestpacific.com	Best Pacific International Holdings Limited	13 July 2015	Hong Kong

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) *Disclosure of interests of our Directors*

So far as our Directors are aware, immediately following completion of the Global Offering, the Capitalisation Issue (assuming the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), the interests or short positions of each of our Directors and the chief executives of our Company in our Shares, underlying Shares and the debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which, once our Shares are listed, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which, once our Shares are listed, will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to our Company and the Stock Exchange are set out as follows:

(i) *Interest in our Company*

<u>Name</u>	<u>Long/short position</u>	<u>Capacity/Type of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Mr. Lu <i>(Note 1)</i>	Long position	Interest in a controlled corporation	637,500,000	63.75%
Mr. Zhang <i>(Note 2)</i>	Long position	Interest in a controlled corporation	75,000,000	7.50%
Mr. Wu <i>(Note 3)</i>	Long position	Interest in a controlled corporation	37,500,000	3.75%

Notes:

- (1) These Shares are registered in the name of Grandview, which is wholly-owned by Mr. Lu. Under the SFO, Mr. Lu is deemed to be interested in all the Shares registered in the name of Grandview.
- (2) These Shares are registered in the name of Sunbrilliant, which is wholly-owned by Mr. Zhang. Under the SFO, Mr. Zhang is deemed to be interested in all the Shares registered in the name of Sunbrilliant.
- (3) These Shares are registered in the name of Lakefront, which is wholly-owned by Mr. Wu. Under the SFO, Mr. Wu is deemed to be interested in all the Shares registered in the name of Lakefront.

(b) *Particulars of service contracts*

Each of our executive Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months' notice in writing served by either party on the other and is subject to termination provisions therein and provisions on retirement by rotation of our Directors as set out in the Articles. Particulars of the service agreements of our Directors are in all material respects the same. The salary of our executive Directors is subject to review each year. In addition, each of our executive Directors is also entitled to bonus as determined by our Board based on the recommendations made by our remuneration committee.

Pursuant to the letters of appointment between our Company and our independent non-executive Directors, our independent non-executive Directors have been appointed for a term of three years commencing from the Listing Date which may be terminated by either party by giving three months' written notice.

Save as disclosed above, none of our Directors has entered or proposed to enter into any service contract/letter of appointment with our Company or any of our subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

(c) *Directors' remuneration*

Our Company's policies concerning remuneration of our executive Directors are:

- (i) the amount of remuneration payable to our executive Directors will be determined on a case by case basis depending on the experience, responsibility, workload and the time devoted to our Group by the relevant Director;
- (ii) non-cash benefits may be provided to our Directors under their remuneration package; and
- (iii) our executive Directors may be granted, at the discretion of our Board, share options of our Company, as part of the remuneration package.

For the years ended 31 December 2011, 2012 and 2013, the aggregate emoluments paid and benefits in kind granted by our Group to our Directors were approximately HK\$10.7 million, HK\$9.3 million and HK\$9.3 million, respectively. Further information in respect of our Directors' remuneration is set out in note 13 of the Accountants' Report set out in Appendix I to this prospectus.

An aggregate sum of approximately HK\$8.6 million will be paid to our Directors as remuneration and benefits in kind by our Group for the year ending 31 December 2014 under the arrangements in force at the date of this prospectus excluding management bonus.

2. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Global Offering and the Capitalisation Issue (assuming the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme), the following persons (not being a Director or chief executive of our Company) who will have or be deemed or taken to have an interest and/or short position in our Shares or the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

<u>Name</u>	<u>Long/short position</u>	<u>Capacity/Type of interest</u>	<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Grandview <i>(Note 1)</i>	Long position	Beneficial interest	637,500,000	63.75%
Sunbrilliant <i>(Note 2)</i>	Long position	Beneficial interest	75,000,000	7.50%

Notes:

- (1) The entire issued share capital of Grandview is beneficially owned by Mr. Lu who is deemed to be interested in the Shares held by Grandview pursuant to the SFO.
- (2) The entire issued share capital of Sunbrilliant is beneficially owned by Mr. Zhang who is deemed to be interested in the Shares held by Sunbrilliant pursuant to the SFO.

3. Related party transactions

Our Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in note 47 of the Accountants' Report set out in Appendix I to this prospectus.

4. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executive of our Company has any interests or short positions in our Shares, underlying Shares or the debentures of our Company or any of its associated corporations (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 into 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 our Shares are listed;
- (b) none of our Directors or experts referred to under the paragraph headed “— E. Other Information — 8. 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 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) without taking into account any of our Shares which may be allotted and issued upon the exercise of the Over-allotment Option and the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme, none of our Directors knows 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 our Shares, underlying Shares or the debentures 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 member of our Group; and
- (e) none of the experts referred to under the paragraph headed “— E. Other Information — 8. 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.

D. PRE-IPO SHARE OPTION SCHEME AND SHARE OPTION SCHEME

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme and the Share Option Scheme conditionally approved by our Shareholders on 8 May 2014.

A. Pre-IPO Share Option Scheme

For the purpose of this sub-section only, unless the context otherwise requires, the following words shall have the following meanings:

“Adoption Date”	8 May 2014, the date on which the Pre-IPO Share Option Scheme was conditionally adopted by written resolutions of all our Shareholders;
“Board”	the board of directors of our Company for the time being or a duly authorised committee thereof;
“Business Day”	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“Date of Grant”	in respect of an Option, the Business Day on which the Board resolves to make an Offer to a Participant whether or not the Offer is subject to Shareholders’ approval on the terms of the Pre-IPO Share Option Scheme, and in any event no later than the Listing Date;
“Grantee”	any Participant who accepts an offer in accordance with the terms of the Pre-IPO Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the personal representative of such person;
“Group”	our Company and our Subsidiaries;
“Offer”	the offer of the grant of an Option;

“Option”	an option to subscribe for Shares pursuant to the Pre-IPO Share Option Scheme;
“Option Period”	in respect of any particular Option, the period to be determined and notified by our Board to the Grantee at the time of making an Offer which shall not expire later than five years from the Date of Grant;
“Participants”	the Directors and employees of our Group who our Board considers, in its sole discretion, have contributed or will contribute to our Group;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph (b) (iv) below; and
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of our Company, whether incorporated in Hong Kong or elsewhere.

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme conditionally adopted by the written resolutions of all our Shareholders passed on 8 May 2014:

The purpose of the Pre-IPO Share Option Scheme is to recognise the contribution that certain directors and employees of our Group who made or may have made to the growth of our Group. It aims to give the Participants an opportunity to acquire a personal stake in our Company and help motivate such Participants to optimise their performance and efficiency, and also to help retain the Participants whose contributions are important to the long-term growth and profitability of our Group.

The principal terms of the Pre-IPO Share Option Scheme are substantially the same as the terms of the Share Option Scheme except that:

- (i) the Subscription Price is, subject to certain adjustments set out in the Pre-IPO Share Option Scheme, equivalent to 50% discount to the Offer Price;
- (ii) the maximum number of Shares subject to the Pre-IPO Share Option Scheme is 30,000,000 Shares, representing 3% of the issued share capital of our Company immediately upon completion of the Capitalisation Issue and the Global Offering (assuming that the Over-allotment Option is not exercised and taking no account of the options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme);
- (iii) eligible participants under the Pre-IPO Share Option Scheme are the Directors and employees of the Group who, in the sole opinion of the Board, will contribute or have contributed to the Group;
- (iv) Subject to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof, all options has been granted under the Pre-IPO Share Option Scheme are subject to the following vesting period:
 - (i) as to 20% of the aggregate number of Shares underlying the Option on the date of the first anniversary of the Date of Grant;

- (ii) as to 30% of the of the aggregate number of Shares underlying the Option on the date of the second anniversary of the Date of Grant; and
- (iii) as to 50% of the aggregate number of Shares underlying the Option on the date of the third anniversary of the Date of Grant.
- (v) save for the options which have been granted and disclosed in this prospectus 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; and
- (vi) each Option granted under the Pre-IPO Share Option Scheme will lapse upon the expiry of the Option Period.

Application has been made to the Listing Committee 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. Options granted under the Scheme do not carry any right to vote, or any right, dividend including those arising on liquidation of our Company.

(a) Outstanding options

Our Company has conditionally granted options to subscribe for Shares under the Pre-IPO Share Option Scheme. In consideration of HK\$1.00 from each grantee, options to subscribe for an aggregate of 26,470,000 Shares representing 2.65% of the enlarged issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue (assuming that the Over-allotment Option is not exercised and any options that have been granted under the Pre-IPO Share Option Scheme and the Share Option Scheme have not been exercised) at the Subscription Price had been granted to 27 Participants under the Pre-IPO Share Option Scheme.

Out of the Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme, options representing 11,000,000 Shares were granted to three of our Directors, options representing 6,400,000 Shares were granted to five members of our senior management and options representing 9,070,000 Shares were granted to 19 other employees of our Group. No options under the Pre-IPO Share Option Scheme have been granted to any connected persons of our Group other than our Directors and Ms. Zheng Tingting, who is the spouse of Mr. Zhang.

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

<u>Name of grantee</u>	<u>Residential address</u>	<u>Position in our Group</u>	<u>No. of Shares subject to the option</u>	<u>Approximate % of enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue ^(Note)</u>
<i>Directors</i>				
Mr. Lu	No.28 Yanhe Street Three Baihao Houjie Town Dongguan City Guangdong Province The PRC	Chairman and executive Director	3,000,000	0.300%
Mr. Zhang	Room 1906 108 Taojin Road East Guangzhou City Guangdong Province The PRC	Chief executive officer and executive Director	5,000,000	0.500%
Mr. Wu	No.4 3 Xiang, Taishaxincun Humen Town Dongguan City Guangdong Province The PRC	Executive Director	3,000,000	0.300%
		Sub-total (Directors)	<u>11,000,000</u>	<u>1.100%</u>
<i>Senior Management</i>				
Chan Yiu Sing (陳耀星)	Flat 1B Block D, Wylie Court Homantin Kowloon Hong Kong	Chief financial officer and company secretary of our Group	1,300,000	0.130%
Zheng Tingting * (鄭婷婷)	Room 1906 108 Taojin Road East Guangzhou City Guangdong Province The PRC	Vice-president (marketing) of our Group	2,000,000	0.200%
* Spouse of Mr. Zhang				

<u>Name of grantee</u>	<u>Residential address</u>	<u>Position in our Group</u>	<u>No. of Shares subject to the option</u>	<u>Approximate % of enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue <i>(Note)</i></u>
He Zhongpin (何仲聘)	Room 704 No.2 Cuibo Road Cuijing Garden City West District Zhongshan City Guangdong Province The PRC	Vice-president (production) of Dongguan NHE	1,000,000	0.100%
Shi Jiangzhi (石蔣志)	No.072, Chengdong Road Xiaopu Town Jiangyong County Hunan Province The PRC	Vice-president (research and development) of our Group	1,300,000	0.130%
Xu Jie (徐傑)	No.4, Machong Town Shixinnan Road Dongguan City Guangdong Province The PRC	Vice-president (human resources) of Dongguan BPT	800,000	0.080%
		Sub-total (senior management)	<u>6,400,000</u>	<u>0.640%</u>
Other Employees				
Wong Yiu Man, Dawson (王耀文)	Flat RB, 38 th Floor Tower 8 Le Prime Lohas Park Tseung Kwan O New Territories Hong Kong	Senior manager of Finance Department	220,000	0.022%
Li Debiao (李德彪)	No.288 Tongdadong Road Nanwai Town Da County Sichuan Province The PRC	Senior manager of Finance Department	500,000	0.050%

<u>Name of grantee</u>	<u>Residential address</u>	<u>Position in our Group</u>	<u>No. of Shares subject to the option</u>	<u>Approximate % of enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue <i>(Note)</i></u>
He Shengquan (何勝權)	No.2, Lane 2 South Zhongfangxincun Huayang Village Machong Town Dongguan City Guangdong Province The PRC	Senior manager of Finance Department	220,000	0.022%
Lei Ruolan (雷若蘭)	No.22 Zhenqinjiang Road Gu Village Ningdu County Jiangxi Province The PRC	Senior manager of Sales and Marketing Department	830,000	0.083%
Zhang Lei (張磊)	No.6 Yangnitang zhu Yangmeitang Village Dongfuzhen Town Liling City Hunan Province The PRC	Marketing manager of Sales and Marketing Department	500,000	0.050%
Zan Tao (曾濤)	No.60 Zhongxing Road Houjie Town Dongguan City Guangdong Province The PRC	Marketing manager of Sales and Marketing Department	440,000	0.044%
Tang Wei E (唐偉娥)	No.4 Jiangjia Lane Longyang Town Hanshou County Hunan Province The PRC	Marketing manager of Sales and Marketing Department	440,000	0.044%
Yi Li (裔麗)	Room 102, No.1-14 Guangrui Village II Chong'an District Wuxi City Jiangsu Province The PRC	Marketing manager of Sales and Marketing Department	220,000	0.022%

<u>Name of grantee</u>	<u>Residential address</u>	<u>Position in our Group</u>	<u>No. of Shares subject to the option</u>	<u>Approximate % of enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue <i>(Note)</i></u>
Rao Wei (饒薇)	No.247-40 Nanzhulin Huangshigang District Huangshi City Hubei Province The PRC	Marketing manager of Sales and Marketing Department	670,000	0.067%
Peng Shiyu (彭世玉)	No.51, Beimenhe Road Nan'an Town Dayu County Jiangxi Province The PRC	Marketing manager of Sales and Marketing Department	830,000	0.083%
Xu Xiaohui (徐小惠)	No.42, Group 22 Zhujia Village Wusha Town Guichi District Chizhou City Anhui Province The PRC	Marketing manager of Sales and Marketing Department	720,000	0.072%
Huang Qin (黃芹)	Room 1104 2 Tianyun Street Baiyun District Guangzhou City Guangdong Province The PRC	Senior manager of Production Department	60,000	0.006%
Cha Jinlian (查進聯)	Room 204 Block 2, Huamao Garden No.95 Fangzhinan Road Daguan District Anqing City Anhui Province The PRC	Senior manager of Production Department	720,000	0.072%

<u>Name of grantee</u>	<u>Residential address</u>	<u>Position in our Group</u>	<u>No. of Shares subject to the option</u>	<u>Approximate % of enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue <i>(Note)</i></u>
He Wenjin (何文進)	Group 6, Helingcun Committee Ronshan Town Linchuan District Fuzhou City Jiangxi Province The PRC	Senior manager of Production Department	500,000	0.050%
Sun Huaye (孫華葉)	First floor, No.28 No.1, Hongyuan Road Nancheng District Dongguan City Guangdong Province The PRC	Senior manager of Production Department	550,000	0.055%
Wang Yafeng (王亞鳳)	First floor, No.28 No. 1, Hongyuan Road Nancheng District Dongguan City Guangdong Province The PRC	Senior manager of Production Department	440,000	0.044%
Chen Changrong (陳長榮)	No.9, Lane 4 Xuetang Street Wanqingsha Town Nansha District Guangzhou City The PRC	Senior manager of Production Department	440,000	0.044%
Chen Hongfei (陳鴻飛)	No.7, Unit 1 No.23, Beida Cultural Office Weidu District Xuchang City Henan Province The PRC	Senior manager of Production Department	330,000	0.033%

<u>Name of grantee</u>	<u>Residential address</u>	<u>Position in our Group</u>	<u>No. of Shares subject to the option</u>	<u>Approximate % of enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue ^(Note)</u>
Tong Mingyan (唐明妍)	No.4, Shixinnan Road Machong Town Dongguan City Guangdong Province The PRC	Senior manager of Purchasing Department	440,000	0.044%
		Sub-total (employees)	<u>9,070,000</u>	<u>0.907%</u>
		Grand total	<u><u>26,470,000</u></u>	<u><u>2.647%</u></u>

Note: Assuming that the Over-allotment Option is not exercised.

Save and except as set out in the list above, no other Options have been or will be granted or have been agreed to be granted by our Company under the Pre-IPO Share Option Scheme. The Pre-IPO Share Option Scheme is valid and effective upon the Listing Date after which no further options will be offered or granted.

Our Directors have agreed and undertaken that each of them will not exercise any options if, as a result of such exercise, our Company will not be able to comply with the public float requirements under Rule 8.08(1) of the Listing Rules.

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

Shareholders	Shareholding structure immediately after completion of the Global Offering and the Capitalisation Issue but before the exercise of the options granted under the Pre-IPO Share Option Scheme		Shareholding structure immediately after completion of the Global Offering and the Capitalisation issue and exercise of the options granted under the Pre-IPO Share Option Scheme in full	
	Shares	%	Shares	%
Existing Shareholders/ executive Directors	750,000,000	75%	750,000,000	73.066%
Grantees under the Pre-IPO Share Option Scheme			Executive Directors:	
			Mr. Lu: 3,000,000	0.292%
			Mr. Zhang: 5,000,000	0.487%
			Mr. Wu: 3,000,000	0.292%
			Senior management Zheng Tingting:	
			2,000,000	0.195%
				(Note 1)
			Other senior management and employees: 13,470,000	1.313%
				(Note 2)
			Total: 776,470,000	75.645%
Other public Shareholders	250,000,000	25%	250,000,000	24.355%
				(Note 2)
Total	<u>1,000,000,000</u>	<u>100%</u>	<u>1,026,470,000</u>	<u>100%</u>

Notes:

- (1) Ms. Zheng is the spouse of Mr. Zhang, an executive Director, and is therefore considered a connected person.
- (2) The Shares to be issued pursuant to the exercise of the Options granted under the Pre-IPO Share Option Scheme by the senior management and employees who are not associates of our Directors will be counted as part of the public float of our Company pursuant to Rule 8.14 of the Listing Rules. Accordingly, public Shareholders of our Company will hold approximately 25.668% of the total issued Shares immediately after the completion of the Global Offering and the Capitalisation Issue and full exercise of the Options granted under the Pre-IPO Share Option Scheme (assuming that the Over-allotment Option is not exercised).

The Options issued under the Pre-IPO Share Option Scheme represent approximately 2.65% of the total issued share capital of our Company immediately following completion of the Global Offering and the Capitalisation Issue as enlarged by the allotment and issue of Shares upon the exercise of all such Options (assuming that the Over-allotment Option is not exercised and taking no account of the Options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme). If all Options are exercised, this would have a dilutive effect on the shareholdings of our Shareholders of approximately 2.65% and a dilutive effect of approximately 2.65% on earnings per Share. However, as the Options are exercisable for a period of five years, any such dilution and impact on earnings per Share will be staggered over several years. No further options will be granted under the Pre-IPO Share Option Scheme after the Listing Date.

(b) *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 Participants (as defined in paragraph (ii) below) have or may have made to our Group.

(ii) *Who may join*

Our Board may, at its discretion, offer to grant an option to subscribe for such number of new Shares as our Board may determine at the Subscription Price to directors (including executive directors and independent non-executive directors) and employees of our Group who, in the sole opinion of our Board, have contributed or will contribute to our Group.

(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 shall not exceed 30,000,000 Shares, representing 3% of the enlarged issued share capital of our Company upon completion of the Global Offering and the Capitalisation Issue (taking no account of any Shares which may be issued upon exercise of the Over-allotment Option and any share option which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme).

(iv) *Price of Shares*

The Subscription Price of a Share in respect of any particular option granted under the Pre-IPO Share Option Scheme shall be equal to a 50% discount to the final offer price per Share (assuming an offer price of HK\$2.18 per Share, being the mid-point of the indicative offer price range of HK\$1.85 to HK\$2.50 per Share, the Subscription Price shall be HK\$1.09).

(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 vesting of option*

Subject to any restrictions applicable under the Listing Rules and notwithstanding the terms of grant thereof, all options has been granted under the Pre-IPO Share Option Scheme are subject to the following vesting period:

- (i) As to 20% of the aggregate number of Shares underlying the Option on the date of the first anniversary of the Date of Grant;

- (ii) As to 30% of the of the aggregate number of Shares underlying the Option on the date of the second anniversary of the Date of Grant; and
- (iii) As to 50% of the aggregate number of Shares underlying the Option on the date of the third anniversary of the Date of Grant.

The exercise of an option granted under the Pre-IPO Share Option Scheme is not subject to any performance target being reached.

(vii) *Rights on ceasing to be an Participant*

- (aa) in the event of the Grantee ceasing to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as specified in paragraph xiv(ff) below having arisen, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within the period of 12 months following his death provided that where any of the events set out in paragraphs (viii), (ix), (x) and (xi) below occurs prior to his death or within such period of 12 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods respectively set out in such paragraphs;
- (bb) in the event of a Grantee who is an employee or a director of our Company or another member of the Group ceasing to be a Participant for any reason other than his death or the termination of his employment or directorship on one or more of the grounds specified in paragraph xiv(ff) below, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination of such employment (which date shall be the Grantee's last actual working day with our Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;
- (cc) in the event of a Grantee who is not an employee or a director of our Company or another member of our Group ceasing to be a Participant as and when determined by our Board by resolution for any reason other than his death, our Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation;
- (dd) in the event of the Grantee ceasing to be a Participant by reason of the termination of his employment or directorship on one or more of the grounds specified in paragraph (xiv)(ff) below, his Option shall lapse automatically (to the extent not already exercised) and shall not be exercisable on or after the date of termination of his employment and to

the extent the Grantee has exercised the Option in whole or in part, but Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and our Company shall return to the Grantee the amount of the Subscription Price for the Shares received by our Company in respect of the purported exercise of such Option;

(viii) Rights on takeover

If a general offer by way of takeover or otherwise is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, our Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by our Company at any time within such period as shall be notified by our Company.

(ix) Rights on scheme of arrangement

If a general offer for Shares by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, our Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option to its full extent or to the extent specified in such notice.

(x) Rights on voluntarily wind-up

In the event a notice is given by our Company to our Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to the Grantee and the Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option to its full extent or to the extent specified in such notice, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot, issue and register in the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

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

In the event of a compromise or arrangement between our Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all Grantees on the same day as it gives notice of the meeting to its members or creditors to consider such compromise or arrangement and the Grantee (or his legal personal representative) may at any time thereafter but before such time as shall be notified by our Company exercise the Option either to its full extent or to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed meeting, allot, issue and register in

the name of the Grantee such number of fully paid Shares which fall to be issued on exercise of such Option.

(xii) Ranking of Shares

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum of association and articles of our Company for the time being in force and shall rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which our Shares are allotted.

(xiii) Effect of alterations to capital

In the event of an alteration in the capital structure of our Company whilst any Option remains exercisable by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party), such corresponding adjustments (if any) shall be made to:

(aa) the number or nominal amount of Shares subject to the Option so far as unexercised; or

(bb) the Subscription Price;

Or any combination thereof, provided that;

(1) any such adjustments give a Grantee the same proportion of the equity capital of our Company as that to which that Grantee was previously entitled; and

(2) notwithstanding paragraph (xiii)(a) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, shall be made in accordance with the supplementary guidance on Rule 17.03(13) of the Listing Rules on 5 September 2005, or such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time,

but no such adjustments shall be made pursuant to paragraphs (xiii)(1) and (xiii)(2) to the extent that a Share would be issued at less than its nominal value.

(xiv) Expiry of option

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

(aa) the expiry of the Option Period;

- (bb) the expiry of the periods referred to in paragraph (vi) above; or
 - (cc) the expiry of the period referred to in paragraph (viii) above, subject to any court of competent jurisdiction making an order to prohibit the Offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
 - (dd) subject to the scheme of arrangement (referred to in paragraph (ix) above becoming effective, the expiry of the period for exercising the Option as referred to in paragraph (ix) above;
 - (ee) the date of the commencement of the winding-up of our Company;
 - (ff) the date on which the Grantee (if an employee or director of our Company or another member of our Group) ceases to be a Participant by reason of the termination of his employment or directorship on the grounds that he has been guilty of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily. A resolution of our Board or the board of directors of our relevant Subsidiary 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 xiv(ff) below shall be conclusive and binding on the Grantee, and where appropriate, his legal representative(s);
 - (gg) the date on which the Grantee commits a breach of paragraph (v) above; and
 - (hh) subject to paragraph (vii)(bb) above, the date the Grantee ceases to be a Participant for any other reason.
- (xv) ***Alteration of the Pre-IPO Share Option Scheme***

The Pre-IPO Share Option Scheme may be altered by a resolution of the Directors except those provisions of the Pre-IPO Share Option Scheme which relate to the definitions of “Participants”, “Grantee” and “Option Period”, shall not be altered to the advantage of Grantees except with the prior sanction of a resolution of our Company in general meeting. Any changes to the authority of our Board in relation to any alteration of the terms of the Pre-IPO Share Option Scheme shall not be made without the prior approval of our Shareholders in general meeting. Any alterations to the terms and conditions of the Pre-IPO Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must also, to be effective, be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Pre-IPO Share Option Scheme.

(xvi) Cancellation of Options

Any Options granted but not exercised may be cancelled if the Participant so agrees.

(xvii) Duration and termination of the Pre-IPO Share Option Scheme

- (aa) Our Company, by ordinary resolution in general meeting, or our Board may at any time, terminate the operation of the Pre-IPO Share Option Scheme and in such event no further Options will be offered or granted but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect in respect of options which are granted during the life of the Pre-IPO Share Option Scheme and which remain unexpired immediately prior to the termination of the operation of the Pre-IPO Share Option Scheme.
- (bb) The Pre-IPO Share Option Scheme shall be valid and effective upon the Listing Date after which no further options shall be offered or granted but the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect in all other respects.

(xviii) Administration of the Broad

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

(xix) Disclosure in annual and interim reports

We will disclose details of the Pre-IPO Share Option Scheme in our annual and interim reports during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

(B) The Share Option Scheme

For the purpose of this sub-section B only, unless the context otherwise requires, the following words shall have the following meanings:

“Adoption Date”	the date on which our Share Option Scheme was conditionally adopted by written resolutions of all our Shareholders;
“Associate”	has the meaning ascribed to it under the Listing Rules;
“Auditors”	the auditors of our Company for the time being;
“Board”	the board of directors of our Company for the time being or a duly authorised committee thereof;
“Business Day”	any day (excluding a Saturday and Sunday) on which banks are generally open for business in Hong Kong;

“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
“Company”	Best Pacific International Holdings Limited (超盈國際控股有限公司), a company incorporated in the Cayman Islands with limited liability on 14 June 2013, the securities of which are proposed to be listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Date of Grant”	in respect of an Option, the Business Day on which our Board resolves to make an Offer, or the grant of an Option to a Participant, whether or not the Offer is subject to Shareholders’ approval on the terms of the Share Option Scheme;
“Global Offering”	the offering of Shares, by way of public offer and international offering, to be effected by our Company in connection with its application for the listing of our Shares on the Stock Exchange;
“Grantee”	any Participant who accepts an Offer in accordance with the terms of the Share Option Scheme, or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee, or the personal representative of such person;
“Group”	our Company and our Subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Individual Limit”	the meaning ascribed thereto in paragraph (a)(v)(cc);
“Listing Date”	the date on which dealings in our Shares first commence on the Main Board of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Offer”	the offer of the grant of an Option;
“Option”	an option to subscribe for Shares pursuant to the Share Option Scheme and for the time being subsisting;
“Option Period”	in respect of any particular Option, the period to be determined and notified by our Board to the Grantee at the time of making an Offer which shall not expire later than 10 years from the Date of Grant;
“Over-allotment Option”	the option to be granted by our Company to the international underwriters and exercisable by the sole global coordinator to the Global Offering to require our Company to allot and issue further Shares in addition to those initially made available under the Global Offering;

“Participants”	directors (including executive Directors, non-executive Directors and independent non-executive Directors) and employees of our Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, partners, joint venture business partners, promoters or service providers of any member of our Group who our Board considers, in its sole discretion, have contributed or will contribute to our Group;
“Scheme Limit”	has the meaning ascribed to it in paragraph (a)(v)(ee);
“Scheme Mandate Limit”	has the meaning ascribed to it in paragraph (a)(v)(aa);
“Shareholder(s)”	holder(s) of our Shares;
“Shares”	ordinary shares of HK\$0.01 each in the share capital of our Company or, if there has been a sub-division, reduction, consolidation, reclassification or reconstruction of the share capital of our Company, the shares forming part of the ordinary equity share capital of our Company or such nominal amount as shall result from any such sub-division, reduction, consolidation, reclassification or reconstruction;
“Subscription Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option pursuant to paragraph (iv) below;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) of our Company, whether incorporated in Hong Kong or elsewhere and “Subsidiaries” shall be construed accordingly;
“Supplementary Guidance”	supplementary guidance on Rule 17.03(13) of the Listing Rules issued by the Stock Exchange dated 5 September 2005; and
“%”	per cent.

(a) Summary of terms

The Share Option Scheme contains the following terms:

(i) Purpose

The purpose of the Share Option Scheme is to reward Participants who have contributed to our Group and to encourage Participants to work towards enhancing the value of our Company and its Shares for the benefit of our Company and our Shareholders as a whole.

(ii) Who may join

Our Directors may, at their discretion, invite Participants to take up Options at a price calculated in accordance with paragraph (iv) below. An Offer shall remain open for acceptance by the Participant concerned for a period of 28 days from the Date of Grant provided that no such Offer shall be open for acceptance after the expiry of the Option

Period or after our Share Option Scheme is terminated or after the Participant has ceased to be a Participant. An Offer is deemed to be accepted when our Company receives from the Grantee the Offer letter signed by the Grantee specifying the number of Shares in respect of which the Offer is accepted, and a remittance to our Company of HK\$1.00 as consideration for the grant of Option. Such remittance is not refundable in any circumstances. The Offer shall specify the terms on which the Option is granted. Such terms may at the discretion of our Board, include, among other things, (aa) the minimum period for which an Option must be held before it can be exercised; and/or (bb) a performance target that must be reached before the Option can be exercised in whole or in part; and (cc) any other terms, all of which may be imposed (or not imposed) either on a case-by-case basis or generally.

Any Offer may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a whole board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. To the extent that the Offer is not accepted within 28 days from the date on which the letter containing the Offer is delivered to that Participant in the manner indicated above, it shall be deemed to have been irrevocably declined.

No Offer shall be made to, nor shall any Offer be capable of acceptance by, any Participant at a time when the Participant would or might be prohibited from dealing in our Shares by the Listing Rules or by any other applicable rules, regulations or law.

Our Directors may or may not set performance targets that must be achieved before the options can be exercised, but no such performance targets are presently prescribed under the Share Option Scheme.

The rules of the Share Option Scheme enable our Directors to determine the terms and conditions of any option based in each case on relevant factors as they consider appropriate. Our Directors believe that the authority given to them under the Share Option Scheme to set any minimum holding period and/or performance targets as conditions in any option granted and the requirement for a minimum subscription price as well as the selection criteria prescribed by the rules of the Share Option Scheme will serve to protect the value of our Company and any of its subsidiaries as well as to achieve the purpose of the Share Option Scheme.

(iii) Grant of Options to connected persons or any of their associates

Any grant of Options to any Director, chief executive or substantial shareholder (as such term is defined in the Listing Rules) of our Company, or any of their respective associates under the Share Option Scheme or any other share option schemes of our Company or any of its Subsidiaries shall be subject to the prior approval of our independent non-executive Directors (excluding independent non-executive Directors who are the proposed Grantees of the Options in question). Where any grant of Options to a substantial shareholder or an independent non-executive Director, or any of their respective associates, would result in our Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled or outstanding) to such person in the 12 month period up to and including the date of such grant:

- (aa) representing in aggregate over 0.1% of our Shares in issue on the date of such grant; and

- (bb) having an aggregate value, based on the closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant, in excess of HK\$5 million,

such further grant of Options shall be subject to prior approval by resolution of our Shareholders (voting by way of poll). Our Company shall send a circular to our Shareholders in accordance with the Listing Rules and all connected persons of our Company shall abstain from voting in favour of the resolutions at such general meeting of our Shareholders.

(iv) Subscription Price

The Subscription Price shall be determined by our Board in its absolute discretion but in any event shall not be less than the higher of:

- (aa) the closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange on the Date of Grant which must be a Business Day;
- (bb) the average closing price of our Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Date of Grant; and
- (cc) the nominal value of our Shares.

(v) Maximum number of Shares

- (aa) The maximum number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% in nominal amount of the aggregate of Shares in issue on the Listing Date (without taking into account any of our Shares which may be allotted and issued under the Over-allotment Option) (the "**Scheme Mandate Limit**"). Options lapsed in accordance with the terms of the Share Option Scheme and (as the case may be) such other share option schemes of our Company will not be counted for the purpose of calculating the Scheme Mandate Limit.

Our Company may renew the Scheme Mandate Limit at any time subject to prior Shareholders' approval but in any event, the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option schemes of our Company under the limit as refreshed must not exceed 10% of our Shares in issue (including Shares which may be allotted and issued under the Over-allotment Option) as at the date of the Shareholders' approval of the renewed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the limit as renewed.

- (bb) Notwithstanding the foregoing, our Company may grant Options beyond the Scheme Mandate Limit to Participants if:
- (1) separate Shareholders' approval has been obtained for granting Options beyond the Scheme Mandate Limit to Participants specifically identified by our Company before such Shareholders' approval is sought; and
 - (2) our Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules then prevailing to be included in such circular.
- (cc) Subject to paragraph (dd) below, the maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the Share Option Scheme (including both exercised and outstanding Options) in any 12-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of our Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of our Shares in issue for the time being (the "**Individual Limit**").
- (dd) Where any further grant of Options to a Participant would result in our Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his/her associates abstaining from voting. Our Company must send a circular to our Shareholders disclosing the identity of the Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Participant) and such other information required under the Listing Rules.
- (ee) At any time, the maximum number of Shares which may be issued upon exercise of all Options which then have been granted and have yet to be exercised under the Share Option Scheme and any other share option schemes of our Company shall not, in the absence of Shareholders' approval, in aggregate exceed 30% of our Shares in issue from time to time (the "**Scheme Limit**").

(vi) Time of exercise of option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the Option Period. After the expiration of the Option Period, no further Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

(vii) Rights are personal to grantees

An Option is personal to the Grantee and shall not be assignable or transferable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Option.

(viii) (aa) Rights on termination of employment by dismissal

- (1) If the Grantee ceases to be a Participant by reason of the termination of his employment or directorship on the grounds of serious misconduct, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has committed any act of bankruptcy or, has become insolvent or has made any arrangements or compromise with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or on any other grounds on which an employer would be entitled to terminate his employment summarily, his Option will lapse automatically and not be exercisable (to the extent not already exercised) on or after the date of termination of his employment. To the extent that the Grantee has exercised the Option in whole or in part pursuant to paragraph (xxiii) below, but our Shares have not been allotted to him, the Grantee shall be deemed not to have so exercised such Option and our Company shall return to the Grantee the amount of the Subscription Price for the Shares received by our Company in respect of the purported exercise of such Option.
- (2) If the Grantee who is an employee or a Director or another member of our Group ceases to be a Participant for any reason other than his death or termination of his employment or directorship on one or more of the grounds specified in paragraph (viii)(aa)(1) above, the Option shall lapse (to the extent not already exercised) on the date of cessation or termination of his employment (which date shall be the Grantee's last actual working day with our Company or the relevant Subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable;

(bb) Rights on death

If the Grantee ceases to be a Participant by reason of his death before exercising his Option in full and none of the events which would be a ground for termination of his employment as described in paragraph (viii)(aa)(1) above have arisen, his personal representative(s) may exercise the Option up to the Grantee's entitlement as at the date of death (to the extent not already exercised) within a period of 12 months following the date of his death provided that where any of the events set out in paragraphs (x), (xi), (xii) and (xiii) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option only within such of the various periods set out in such paragraphs provided further that if within a period of three years prior to the Grantee's death, the Grantee had committed any of the acts specified in paragraph (vii)(aa)(1) which would have entitled our Company to terminate his employment prior to his death, our Board may at any time forthwith terminate the Option (to the extent not already exercised) by written notice to the Grantee's legal personal representative(s) and/or to the extent the Option has been exercised in whole or in part by his legal personal representative(s), but Shares have not been allotted, he shall be deemed not to have so exercised such Option and our Company shall return to

him the amount of the Subscription Price for the Share received by our Company in respect of the purported exercise of such Option.

(ix) *Effect of alterations to share capital*

In the event of an alteration in the capital structure of our Company, whilst any Option remains exercisable, by way of capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or, consolidation of shares, or reduction of the share capital of our Company in accordance with legal requirements and requirements of the Stock Exchange (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party), such corresponding adjustments (if any) shall be made to:

- (aa) the number or nominal amount of Shares subject to the Option so far as unexercised; or
- (bb) the Subscription Price,

or any combination thereof, provided that:

- (1) any such adjustments give a Grantee the same proportion of the equity capital of our Company as that to which that Grantee was previously entitled; and
- (2) notwithstanding paragraph (ix)(1) above, any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue shall be made in accordance with the provisions of Chapter 17 of the Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time (including the Supplemental Guidance attached to all issuers relating to share option schemes).

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, an independent financial advisor or auditor must confirm to our Directors in writing that the adjustments are in their opinion fair and reasonable.

(x) *Rights on a general offer by way of takeover*

In the event of a general offer by way of takeover (other than by way of scheme of arrangement) being 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 association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant Option, our Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) shall be entitled to exercise the Option in full (to the extent not already exercised) or to the extent as notified by our Company at any time within such period as shall be notified by our Company.

(xi) *Rights on a general offer by way of scheme of arrangement*

In the event of a general offer by way of scheme of arrangement being made to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith notify all the Grantees and any Grantee (or his legal personal representative) may at any time thereafter, (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company.

(xii) *Rights on winding up*

In the event a notice is given by our Company to our Shareholders to convene a Shareholders' meeting to consider and, if thought fit, approve a resolution to voluntarily wind up our Company, our Company shall forthwith give notice thereof to all Grantees and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company, and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of Shares to the Grantee which fall to be issued on such exercise.

(xiii) *Rights on a compromise or arrangement*

In the event a compromise or arrangement (other than a scheme of arrangement) between our Company and its members or creditors is proposed in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice to all the Grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a compromise or arrangement, and any Grantee (or his legal personal representative) may at any time thereafter (but before such time as shall be notified by our Company) exercise the Option either to its full extent or to the extent notified by our Company and our Company shall as soon as possible and in any event no later than three days prior to the date of the proposed Shareholders' meeting, allot and issue and register in the name of the Grantee such number of Shares which fall to be issued on such exercise.

(xiv) *Rights of Grantee ceasing to be Participant*

In the event of a Grantee who is not an employee or a director of our Company or another member of our Group ceasing to be a Participant as and when determined by our Board by resolution for any reason other than his death our Board may by written notice to such Grantee within one month from the date of such cessation determine the period within which the Option (or such remaining part thereof) shall be exercisable following the date of such cessation.

(xv) *Ranking of Shares*

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of our Memorandum of Association and Articles of Association for the time being in force and shall rank *pari passu* in all respects with the existing fully

paid Shares in issue on the date on which these Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividend or other distributions paid or made after the date on which our Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which our Shares are allotted.

(xvi) *Period of the Share Option Scheme*

The Share Option Scheme was adopted for a period of ten years commencing from the Adoption Date. Our Company may, by ordinary resolution in a general meeting or, our Board, on such date as our Board determines, terminate the Share Option Scheme at any time without prejudice to the exercise of Options granted prior to such termination.

(xvii) *Alterations to the Share Option Scheme*

Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants, and changes to the authority of our Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting. Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme. The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

(xviii) *Conditions of the Share Option Scheme*

The Share Option Scheme shall take effect subject to:

- (aa) the passing of the resolution by our Shareholders to approve and adopt the Share Option Scheme and to authorise our Board to grant Options thereunder and to allot and issue Shares pursuant to the exercise of any Options;
- (bb) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting approval of the listing of and permission to deal in our Shares which fall to be issued pursuant to the exercise of Options (subject to an initial limit of 10% of the aggregate number of Shares in issue on the Listing Date (being 100,000,000 Shares, assuming the Over-allotment Option is not exercised)); and
- (cc) the commencement of trading of our Shares on the Main Board of the Stock Exchange.

(xix) *Lapse of Option*

An Option shall lapse automatically and shall not be exercisable, to the extent not already exercised, on the earliest of:

- (aa) the expiry of the Option Period;

- (bb) the expiry of the periods referred to in paragraphs (viii)(aa), (viii)(bb), (x), (xi), (xii), (xiii) and (xiv) above respectively;
- (cc) the expiry of the period referred to in paragraph (x) above, subject to any court of competent jurisdiction not making an order to prohibit the offeror from acquiring the remaining Shares in the Offer, the relevant period within which Options may be exercised shall not begin to run until the discharge of the order in question or unless the Offer lapses or is withdrawn before that date;
- (dd) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (xi) above;
- (ee) the date of commencement of the winding-up of our Company;
- (ff) the date on which the Grantee ceases to be a Participant as referred to in paragraph (viii)(aa)(1) above;
- (gg) the date on which the Grantee commits a breach by selling, transferring, charging, mortgaging, encumbering or creating any interest in favour of any third party over or in relation to any Option; and
- (hh) subject to paragraph (viii)(aa)(2), the date the Grantee ceases to be a Participant for any other reason.

(xx) *Termination of the Share Option Scheme*

Our Company by ordinary resolution in general meeting or our Board may at any time terminate the Share Option Scheme and in such event no further Options may be granted but in all other respects the Share Option Scheme shall remain in full force and effect in respect of Options which are granted during the life of the Share Option Scheme and which remain unexpired immediately prior to termination of the operation of the Share Option Scheme.

(xxi) *Restriction on grant of Option*

In addition, a grant of Options may not be made after inside information has come to its knowledge until such inside information has been published in the newspapers or in such other manner as prescribed by the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (aa) the date of the board meeting of our Company (as such date is first 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, any other interim period (whether or not required under the Listing Rules); and
- (bb) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of the results announcement, no Option may be granted.

(xxii) Cancellation

Any Options granted but not exercised may be cancelled if the Participant so agrees and new Options may be granted to the Grantee provided that such new Options fall within the limits prescribed by paragraph (v), excluding the cancelled Options, and are otherwise granted in accordance with the terms of the Share Option Scheme.

(xxiii) Exercise of Options

- (aa) An Option may, subject to the provisions of paragraph (v), be exercised in whole or in part (but if in part only, in respect of a board lot in which our Shares are traded on the Stock Exchange from time to time or an integral multiple thereof) in the manner set out in paragraphs (vi), (viii), (x), (xi), (xii), (xiii) and (xiv) by the Grantee (or, as the case may be, his legal personal representative(s)) 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 Subscription Price multiplied by the number of Shares in respect of which the notice is given. Within 10 Business Days after receipt of the notice and the remittance of the full amount of the relevant aggregate Subscription Price and, where appropriate, receipt of the Auditors' certificate or the certificate from the independent financial adviser to our Company pursuant to paragraph (v), our Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, as the case may be, his legal personal representative(s)) credited as fully paid and issue to the Grantee (or, as the case may be, his legal personal representative(s)) share certificates in respect of our Shares so allotted.
- (bb) The exercise of any Option shall be subject to the members of our Company in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto our Board shall make available sufficient authorised but unissued share capital of our Company to meet subsisting requirements on the exercise of Options.
- (cc) The Options do not carry any right to vote in general meeting of our Company, or any right, dividend, transfer or any other rights, including those arising on the liquidation of our Company.
- (dd) No Grantee shall enjoy any of the rights of a shareholder by virtue of the grant of an Option pursuant to the Share Option Scheme, unless and until Shares are actually issued to the Grantee pursuant to exercise of such Option.

(b) Present status of the Share Option Scheme

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

E. OTHER INFORMATION**1. Estate duty, tax and other indemnities**

Each of our Controlling Shareholders (collectively, the “**Indemnifiers**”) has entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) (being the material contract referred to in item (i) of 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, Hong Kong estate duty which might be payable by any member of our Group, by reason of any transfer of property (within the meaning of Section 35 of the Estate Duty Ordinance, Chapter 111 of the Laws of Hong Kong), to any member of our Group on or before the date on which the Global Offering becomes unconditional (the “**Effective Date**”).

The Deed of Indemnity also contain, amongst other things, indemnities given by the Indemnifiers in respect of taxation resulting from income, profits or gains earned, accrued or received as well as any property claim to which our Company may be subject on or before the Effective Date which might be payable by any member of our Group.

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

2. Litigation

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claims of material importance was known to our Directors to be pending or threatened against our Company or any of our subsidiaries.

3. Sole Sponsor

CCBI has made an application for and on behalf of our Company to the Stock Exchange for the listing of, and permission to deal in, our Shares in issue and to be issued as mentioned in this prospectus, including any Shares falling to be issued pursuant to the exercise of the Over-allotment Option or any options which were granted under the Pre-IPO Share Option Scheme or may be granted under the Share Option Scheme. The Sole Sponsor is independent from our Company pursuant to Rule 3A.07 of the Listing Rules.

4. Preliminary expenses

The preliminary expenses of our Company are approximately HK\$15,000 and have been paid by our Company.

5. Sole Sponsor’s fees

The Sole Sponsor’s fees of our Company are approximately HK\$3 million and are payable by our Company.

6. Promoter

Our Company has no promoter for the purpose of the Listing Rules.

7. Qualifications of experts

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

Name	Qualification
CCBI	Licensed to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Jingtian & Gongcheng Law Firm	PRC legal adviser to our Company
Deloitte Touche Tohmatsu	Certified public accountants
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-law
Avista Valuation Advisory Limited	Property valuer and consultant
Frost & Sullivan	Independent industry consultant
Mr. Matthew Ho	Barrister-at-law

8. Consents of experts

Each of CCBI, Jingtian & Gongcheng, Deloitte Touche Tohmatsu, Avista Valuation Advisory Limited, Conyers Dill & Pearman (Cayman) Limited, Frost & Sullivan and Mr. Matthew Ho 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 the references to its name included herein in the form and context in which they are respectively included.

9. 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 penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

10. Agency fees or commission received

The Underwriters will receive an underwriting commission, and the Sole Sponsor will receive a documentation fee, as referred to under the section headed “Underwriting — Underwriting arrangements and expenses — Commissions and expenses” in this prospectus.

11. No material adverse change

Our Directors confirm that there has not been any material adverse change in the financial or trading position or prospects of our Group since 31 December 2013 (being the date to which the

latest audited combined financial statements of our Group were made up) and up to the date of this prospectus.

12. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years 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;
 - (vii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of its subsidiaries;
- (b) none of the persons named in the paragraph headed “— E. Other Information — 8. Consents of experts” in this Appendix is interested beneficially or otherwise in any shares of any member of our Group nor 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 31 December 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 Cayman Islands by Codan Trust Company (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Computershare Hong Kong 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 Cayman Islands;

- (f) no member of our Group is presently listed on any stock exchange or traded on any trading system;
- (g) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (h) all necessary arrangements have been made to enable our Shares to be admitted into CCASS for clearing and settlement.

13. Bilingual prospectus

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