

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

Our Company was incorporated on August 18, 2017 under the laws of the province of Ontario, Canada and registered by way of continuation in the Cayman Islands as an exempted company with limited liability on October 20, 2017. Our Company has established a principal place of business in Hong Kong at 31/F, 148 Electric Road North Point, Hong Kong and has been registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on January 9, 2018. Mr. Kai Yu Chow who resides at 5G Capilano Court, Pictorial Garden, Shatin, Hong Kong have been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was continued in the Cayman Islands, we operate subject to the Cayman Islands Companies Law and our constitution comprising the Memorandum and the Articles. A summary of certain provisions of our Company's constitution and relevant aspects of the company law of the Cayman Islands is set out in Appendix III to this prospectus.

2. Changes in share capital

Our Company was incorporated on August 18, 2017 under the laws of the province of Ontario, Canada with an authorized share capital of an unlimited number of common shares, of which one Share was issued and allotted to RT Group.

On October 9, 2017, our Company issued and allotted 496,799,999, 248,400,000 and 82,800,000 Shares to RT Group, AT Holdings and DC Holdings, respectively.

On October 9, 2017, our Company issued and allotted 43,200,000, 21,600,000 and 7,200,000 Shares to RT Group, AT Holdings and DC Holdings, respectively.

Pursuant to a special resolution of our Company passed on October 20, 2017, the authorized share capital of our Company was set as HK\$9,000,000 divided into 90,000,000,000 Shares of par value HK\$0.0001 each upon our continuation in the Cayman Islands.

Immediately following the completion of the Share Offer but taking into no account of any Shares which may be issued upon exercise of the Over-allotment Option or the options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$120,000 divided into 1,200,000,000 Share of HK\$0.0001 each, all fully paid or credited as fully paid.

Save for the aforesaid, there has been no alteration in the share capital of our Company since our inception.

3. Resolutions in writing of the Shareholders of our Company

- (i) Pursuant to written resolutions of the Shareholders of our Company dated May 7, 2018 and June 1, 2018:
 - (a) we approved and conditionally adopted the Memorandum of Association which will become effective from the Listing Date;
 - (b) we approved and conditionally adopted the Articles of Association which will become effective from the Listing Date;

- (c) conditional on (i) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue, Shares to be issued pursuant to the Share Offer and Shares to be issued as mentioned in this prospectus (including any additional Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of the options which may be granted under the Share Option Scheme); (ii) the entering into of the agreement on the Offer Price between the Sole Global Coordinator (for itself and on behalf of the Underwriters) and our Company on the Price Determination Date; (iii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements:
- (i) the Share Offer was approved and our Directors were authorized to allot and issue the new Shares pursuant to the Share Offer;
 - (ii) the Over-allotment Option was approved;
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “D. Other Information — 1. Share Option Scheme” below in this Appendix, were approved and adopted and our Directors were authorized, at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options granted under the Share Option Scheme; and
- (d) a general unconditional mandate was given to our Directors to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the grant of options under the Share Option Scheme or other similar arrangements or pursuant to a specific authority granted by the Shareholders in general meeting, unissued Shares not exceeding the aggregate of 20% of the number of issued Shares immediately following the completion of the Share Offer (but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of the options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first;
- (e) a general unconditional mandate was given to our Directors authorizing them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other approved stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the number of

issued Shares immediately following the completion of the Share Offer (but taking into no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the exercise of the options which may be granted under the Share Option Scheme), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or until revoked or varied by an ordinary resolution of the Shareholders in general meeting, whichever occurs first; and

- (f) the general unconditional mandate mentioned in paragraph (d) above was extended by the addition to the number of issued Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the total number of issued Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above.

4. Corporate Reorganization

The companies comprising our Group underwent the Reorganization in preparation for the Listing. For information relating to the Reorganization, please refer to the section headed “History, Reorganization and Corporate Structure” in this prospectus.

5. Changes in share capital of subsidiaries

Our subsidiaries are referred to in the Accountant’s Report in Appendix I to this prospectus. Save for the subsidiaries mentioned in the Accountant’s Report and in the section headed “History, Reorganization and Corporate Structure” in this prospectus, our Company has no other subsidiaries.

On November 8, 2016, Tour East Canada redeemed 300,000, 450,000 and 150,000 Class A preference shares of Tour East Canada held by RT Group, AT Holdings and DC Holdings, respectively, for an consideration of CAD378,000, CAD567,000 and CAD189,000, respectively.

Save as disclosed in this prospectus, there are no changes in share capital of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. Repurchases of our Shares

(a) *Provisions of the Listing Rules*

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

(i) *Shareholders' approval*

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

*Note: Pursuant to the written resolutions passed by the Shareholders of our Company on May 7, 2018, a general unconditional mandate (the “**Buyback Mandate**”) was granted to our Directors authorizing the repurchase of shares 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 recognized by the SFC and the Stock Exchange for this purpose, with the total number of Shares not exceeding 10% of the total number of Shares in issue and to be issued as mentioned herein, at any time until the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by an applicable law or the Articles to be held or when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.*

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and the laws of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange in effect from time to time.

(b) *Reasons for repurchases*

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

(c) *Funding of repurchases*

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

It is presently proposed that any repurchase of Shares will be made out of the profits of our Company, the share premium amount of our Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Cayman Islands Companies Law, out of capital and, in the case of any premium payable on the purchase over the par value of the Shares to be repurchased must be provided for, out of either or both of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to the Cayman Islands Companies Law, out of capital.

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

(d) *Share capital*

Exercise in full of the Buyback Mandate, on the basis of 1,200,000,000 Shares in issue immediately after the Listing (but taking into no account of our Shares which may be issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme), could accordingly result in up to 120,000,000 Shares being repurchased by our Company during the period until:

- (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 any applicable law or the Articles to be held; or
- (iii) the date on which the Buyback Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first.

(e) *General*

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

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

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

If as a result of a securities repurchase pursuant to the Buyback Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such

increase will be treated as an acquisition for the purpose of the Code on Takeovers and Mergers issued by the SFC (the “**Takeovers Code**”). Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders’ interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Our Directors are not aware of any other consequences which may arise under the Takeovers Code if the Buyback Mandate is exercised.

If the Buyback Mandate is fully exercised immediately following completion of the Share Offer (but taking into no account of our Shares which may be issued pursuant to the exercise of the Over-allotment Option or the options which may be granted under the Share Option Scheme), the total number of Shares which will be repurchased pursuant to the Buyback Mandate will be 120,000,000 Shares, being 10% of the total number of Shares based on the aforesaid assumptions. The percentage shareholding of our Controlling Shareholders will be increased to 50.0% of the issued share capital of our Company immediately following the full exercise of the Buyback Mandate. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding the public float under Rule 8.08 of the Listing Rules. However, our Directors have no present intention to exercise the Buyback Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

B. INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

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

- (a) a share purchase agreement dated October 9, 2017 entered into between RT Group as the vendor and BVTEHC as the purchaser regarding the sale of 4,200,000 Class “A” Preference shares and 60 common shares in the capital of Tour East Canada at a consideration of CAD74,787,096.60 which was satisfied by BVTEHC allotting and issuing 59 common shares in the capital of BVTEHC to RT Group;
- (b) a share purchase agreement dated October 9, 2017 entered into between AT Holdings as the vendor and BVTEHC as the purchaser regarding the sale of 2,100,000 Class “A” Preference shares and 30 common shares in the capital of Tour East Canada at a consideration of CAD37,393,548.30 which was satisfied by BVTEHC allotting and issuing 30 common shares in the capital of BVTEHC to AT Holdings;
- (c) a share purchase agreement dated October 9, 2017 entered into between DC Holdings as the vendor and BVTEHC as the purchaser regarding the sale of 700,000 Class “A” Preference shares and 10 common shares in the capital of Tour East

Canada at a consideration of CAD12,464,516.10 which was satisfied by BVTEHC allotting and issuing 10 common shares in the capital of BVTEHC to DC Holdings;

- (d) a share purchase agreement dated October 9, 2017 entered into between RT Group as the vendor and 1134351 B.C. as the purchaser regarding the sale of 120 common shares in the capital of Tour East New York at a consideration of CAD6,503,226.00 which was satisfied by 1134351 B.C. allotting and issuing 60 common shares in the capital of 1134351 B.C. to RT Group;
- (e) a share purchase agreement dated October 9, 2017 entered into between AT Holdings as the vendor and 1134351 B.C. as the purchaser regarding the sale of 60 common shares in the capital of Tour East New York at a consideration of CAD3,251,613.00 which was satisfied by 1134351 B.C. allotting and issuing 29 common shares in the capital of 1134351 B.C. to AT Holdings;
- (f) a share purchase agreement dated October 9, 2017 entered into between DC Holdings as the vendor and 1134351 B.C. as the purchaser regarding the sale of 20 common shares in the capital of Tour East New York at a consideration of CAD1,083,871.00 which was satisfied by 1134351 B.C. allotting and issuing 10 common shares in the capital of 1134351 B.C. to DC Holdings;
- (g) a share purchase agreement dated October 9, 2017 entered into between RT Group as the vendor and our Company as the purchaser regarding the sale of 60 common shares in the capital of BVTEHC at a consideration of CAD74,787,096.60 which was satisfied by our Company allotting and issuing 496,799,999 common shares in the capital of our Company to RT Group;
- (h) a share purchase agreement dated October 9, 2017 entered into between AT Holdings as the vendor and our Company as the purchaser regarding the sale of 30 common shares in the capital of BVTEHC at a consideration of CAD37,393,548.30 which was satisfied by our Company allotting and issuing 248,400,000 common shares in the capital of our Company to AT Holdings;
- (i) a share purchase agreement dated October 9, 2017 entered into between DC Holdings as the vendor and our Company as the purchaser regarding the sale of 10 common shares in the capital of BVTEHC at a consideration of CAD12,464,516.10 which was satisfied by our Company allotting and issuing 82,800,000 common shares in the capital of our Company to DC Holdings;
- (j) a share purchase agreement dated October 9, 2017 entered into between RT Group as the vendor and our Company as the purchaser regarding the sale of 60 common shares in the capital of 1134351 B.C. at a consideration of CAD6,503,226.00 which was satisfied by our Company allotting and issuing 43,200,000 common shares in the capital of our Company to RT Group;
- (k) a share purchase agreement dated October 9, 2017 entered into between AT Holdings as the vendor and our Company as the purchaser regarding the sale of 30 common

shares in the capital of 1134351 B.C. at a consideration of CAD3,251,613.00 which was satisfied by our Company allotting and issuing 21,600,000 common shares in the capital of our Company to AT Holdings;

- (l) a share purchase agreement dated October 9, 2017 entered into between DC Holdings as the vendor and our Company as the purchaser regarding the sale of 10 common shares in the capital of 1134351 B.C. at a consideration of CAD1,083,871.00 which was satisfied by our Company allotting and issuing 7,200,000 common shares in the capital of our Company to DC Holdings;
- (m) the Deed of Non-competition;
- (n) the Deed of Indemnity;
- (o) a cornerstone investment agreement dated June 12, 2018 entered into between our Company, WWPKG Holdings Company Limited, Lego Corporate Finance Limited, Lego Securities Limited and Kingsway Financial Securities Group Limited, pursuant to which WWPKG Holdings Company Limited agreed to subscribe at the Offer Price for such number of Offer Shares as may be purchased with an amount of HK\$10,000,000;
- (p) a cornerstone investment agreement dated June 12, 2018 entered into between our Company, Mr. Duncan Chiu, Lego Corporate Finance Limited, Lego Securities Limited and Kingsway Financial Securities Group Limited, pursuant to which Mr. Duncan Chiu agreed to subscribe at the Offer Price for such number of Offer Shares as may be purchased with an amount of HK\$10,000,000; and
- (q) the Hong Kong Underwriting Agreement.



2. Our intellectual property rights

(a) Trademark(s)

As of the Latest Practicable Date, our Group had registered the following trademark(s) which, in the opinion of our Directors, are material to our business:

<u>Trademark</u>	<u>Trademark Number</u>	<u>Registrant</u>	<u>Class</u>	<u>Date of Registration</u>	<u>Place of Registration</u>	<u>Expiry Date</u>
	TMA662789	Tour East Canada	16, 21, 25, 39, 43	April 19, 2006	Canada	April 19, 2021
	TMA663137	Tour East Canada	16, 21, 25, 39, 43	April 19, 2006	Canada	April 19, 2021
東亞旅遊	TMA629174	Tour East Canada	16, 21, 25, 39, 43	December 31, 2004	Canada	December 31, 2019
TOUR EAST HOLIDAYS	TMA625409	Tour East Canada	16, 21, 25, 39, 43	November 15, 2004	Canada	November 15, 2019
JET SET TRAVEL	TMA717923	Tour East Canada	16, 39, 43	July 4, 2008	Canada	July 4, 2023
	TMA623315	Tour East Canada	16, 21, 25, 39, 43	October 22, 2004	Canada	October 22, 2019
	TMA725549	Tour East Canada	16, 39, 43	October 8, 2008	Canada	October 8, 2023
東亞 旅行社	TMA326462	Tour East Canada	35, 39	April 16, 1987	Canada	April 16, 2032
	304231115	Tour East Canada	39	August 4, 2017	Hong Kong	August 4, 2027

As of the Latest Practicable Date, we had applied for the registration of the following trademarks:

<u>Trademark</u>	<u>Trademark Application Number</u>	<u>Applicant</u>	<u>Class</u>	<u>Place of Registration</u>	<u>Application Date</u>
	1861329	our Company	9, 16, 21, 25, 39	Canada	October 5, 2017
	87618621	Tour East New York	9, 16, 21, 25, 39	United States	September 22, 2017

(b) Domain name(s)

As of the Latest Practicable Date, our Group had registered the following domain names which, in the opinion of our Directors, are material to our business:

<u>Domain name</u>	<u>Registrant</u>	<u>Date of Registration</u>	<u>Expiry Date</u>
www.toureast.com	Tour East Canada	March 26, 1998	March 26, 2023
www.toureastgroup.com	Tour East Canada	July 28, 2010	July 28, 2019

C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

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

Immediately following completion of the Share Offer and assuming that the Over-allotment Option is not exercised and taking into no account of Shares to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, the interests or short positions of our Directors or chief executives of our Company in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities

Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, once our Shares are listed will be as follows:

Interest in our Company

<u>Name of Director</u>	<u>Nature of Interest</u>	<u>Number of Shares⁽¹⁾</u>	<u>Approximate Percentage of Shareholding</u>
Mrs. Tsang ⁽²⁾	Interest of a controlled corporation	540,000,000 (L)	45.0%
Ms. Tsu ⁽³⁾	Interest of a controlled corporation	270,000,000 (L)	22.5%
Dr. Chu ⁽⁴⁾	Interest of a controlled corporation	90,000,000 (L)	7.5%

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) BVRTH is beneficially and wholly-owned by RT Group, in which Mrs. Tsang is entitled to 90.9% of the voting rights in her own capacity. By virtue of the SFO, Mrs. Tsang is deemed to be interested in our Shares held by BVRTH.
- (3) BVATH is beneficially and wholly-owned by AT Holdings, which in turn is wholly-owned by Ms. Tsu. By virtue of the SFO, Ms. Tsu is deemed to be interested in our Shares held by BVATH.
- (4) BVDCH is beneficially and wholly-owned by DC Holdings, which in turn is wholly-owned by Dr. Chu. By virtue of the SFO, Dr. Chu is deemed to be interested in our Shares held by BVDCH.

(b) *Particulars of service agreements and letters of appointment*

Each of our executive Directors has entered into a service agreement with our Company for a term of one year 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.

Each of our non-executive Director and independent non-executive Directors has entered into a letter of appointment with our Company for a term of one year 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.

(c) *Directors’ remuneration*

Each of our executive Directors and non-executive Director is entitled to a remuneration and shall be paid on the basis of a twelve-month year. During the years

ended December 31, 2015, 2016 and 2017, the aggregate remuneration (including fees, salaries, bonus, share-based payments, contributions to retirement benefits schemes, allowances and other benefits in kind) paid to our Directors was approximately HK\$7.0 million, HK\$5.3 million and HK\$5.4 million, respectively. For details, please refer to Note 32 of the Accountant's Report set out in Appendix I to this prospectus.

Each of our independent non-executive Directors have been appointed for a term of one year. We intend to pay a total director's fee of HK\$540,000 per annum to Mrs. Kitty Yuk-Yee Yeung, Dr. Michael Edward Ricco and Mr. Sik Yuen Lau. Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

Under the arrangement currently in force, the aggregate remuneration (including fees, salaries, bonus, share-based payments, contributions to retirement benefits scheme, allowances and other benefits in kind) of our Directors for the year ending December 31, 2018 is estimated to be no more than HK\$5.6 million.

2. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Share Offer assuming that the Over-allotment Option is not exercised and taking into no account of any Shares that may be issued pursuant to the exercise of options which were granted under the Share Option Scheme, the following persons (other than our Directors and chief executives of our Company) 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 Division 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group:

Name of Shareholder	Nature of interest	Shares held immediately prior to the Share Offer ⁽¹⁾		Shares held immediately after completion of the Share Offer (taking into no account Shares which may be issued pursuant to the exercise of the Over-allotment Option or Shares which may be issued upon the exercise of options granted under the Share Option Scheme) ⁽¹⁾	
		Number	Percentage	Number	Percentage
BVRTH ⁽²⁾	Beneficial owner	540,000,000 (L)	60.0%	540,000,000 (L)	45.0%
RT Group ⁽²⁾	Interest of a controlled corporation	540,000,000 (L)	60.0%	540,000,000 (L)	45.0%
BVATH ⁽³⁾	Beneficial owner	270,000,000 (L)	30.0%	270,000,000 (L)	22.5%
AT Holdings ⁽³⁾	Interest of a controlled corporation	270,000,000 (L)	30.0%	270,000,000 (L)	22.5%
BVDCH ⁽⁴⁾	Beneficial owner	90,000,000 (L)	10.0%	90,000,000 (L)	7.5%
DC Holdings ⁽⁴⁾	Interest of a controlled corporation	90,000,000 (L)	10.0%	90,000,000 (L)	7.5%

Notes:

- (1) The letter “L” denotes the person’s long position in the Share.
- (2) BVRTH is beneficially and wholly-owned by RT Group. By virtue of the SFO, RT Group is deemed to be interested in our Shares held by BVRTH.
- (3) BVATH is beneficially and wholly-owned by AT Holdings. By virtue of the SFO, AT Holdings is deemed to be interested in our Shares held by BVATH.
- (4) BVDCH is beneficially and wholly-owned by DC Holdings. By virtue of the SFO, DC Holdings is deemed to be interested in our Shares held by BVDCH.

3. Agency fees or commissions received

Save as disclosed in this prospectus, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

4. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executives of our Company has any interest or short position in our shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers once our Shares are listed;
- (b) none of our Directors or experts referred to under the paragraph headed “D. Other Information — 8. Qualification 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) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));

- (e) taking no account of Shares which may be taken up under the Share Offer, 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 Share Offer, have an interest or short position in our Shares or underlying Shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of SFO or be interested, directly or indirectly, in 10% or more of the issued voting shares of any member of our Group;
- (f) none of the experts referred to under the paragraph headed “D. Other Information — 8. Qualification 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; and
- (g) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by the written resolutions of our Shareholders passed on May 7, 2018.

(a) *Purpose*

The Share Option Scheme is a share incentive scheme prepared in accordance with Chapter 17 of the Listing Rules and is established to recognize and acknowledge the contributions that the Eligible Participants (as defined in paragraph (b) below) had or may have made to our Group. The Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in our Company with the view to achieving the following objectives:

- (i) motivate the Eligible Participants to optimize their performance efficiency for the benefit of our Group; and
- (ii) attract and retain or otherwise maintain an on-going business relationship with the Eligible Participants whose contributions are or will be beneficial to the long-term growth of our Group.

(b) *Who may join and basis of eligibility*

The Board may, at its discretion, offer to grant an option to the following persons (collectively the “**Eligible Participants**”) to subscribe for such number of new Shares

as the Board may determine at an exercise price determined in accordance with paragraph (f) below:

- (i) any full-time or part-time employees, executives or officers of our Company or any of its subsidiaries;
- (ii) any directors (including non-executive directors and independent non-executive directors) of our Company or any of its subsidiaries; and
- (iii) any advisers, consultants, suppliers, customers, distributors and such other persons who, in the sole opinion of the Board, will contribute or have contributed to our Company and/or any of its subsidiaries.

Upon acceptance of the option, the grantee shall pay HK\$1.00 to our Company by way of consideration for the grant.

(c) *Acceptance of an offer of options*

An option shall be deemed to have been granted and accepted by the grantee and to have taken effect when the duplicate offer document constituting acceptances of the options duly signed by the grantee, together with a remittance or payment in favor of our Company of HK\$1.00 by way of consideration for the grant thereof, is received by our Company on or before the relevant acceptance date. Such remittance or payment shall in no circumstances be refundable. Any offer to grant an option to subscribe for Shares may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer document constituting acceptance of the option. To the extent that the offer to grant an option is not accepted by any prescribed acceptance date, it shall be deemed to have been irrevocably declined.

Subject to paragraphs (l), (m), (n), (o) and (p), an option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance or payment for the full amount of the exercise price for our Shares in respect of which the notice is given. Within 21 days after receipt of the notice and the remittance or payment and, where appropriate, receipt of the certificate by the auditors to our Company or the approved independent financial adviser as the case may be pursuant to paragraph (r), our Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee certificates in respect of our Shares so allotted.

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

(d) *Maximum number of Shares*

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and under any other share option schemes of our Company must not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Share Offer (assuming that the Over-allotment Option is not exercised), being 120,000,000 Shares, excluding for this purpose Shares which would have been issuable pursuant to options which have lapsed in accordance with the terms of the Share Option Scheme (or any other share option schemes of our Company). Subject to the issue of a circular by our Company and the approval of our Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, the Board may:

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

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

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

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

- (i) the issue of a circular by our Company containing the identity of the Eligible Participant, the numbers of and terms of the options to be granted (and options previously granted to such participant), the information as required under Rules 17.02(2)(d) and the disclaimer required under 17.02(4) of the Listing Rules; and
- (ii) the approval of our Shareholders in general meeting and/or other requirements prescribed under the Listing Rules from time to time with such Eligible Participant and his close associates (as defined in the Listing Rules) (or his/her associates if the Eligible Participant is a core connected person) abstaining from voting. The numbers and terms (including the exercise price) of options to be granted to such participant must be fixed before our Shareholders' approval and the date of the Board meeting at which the Board proposes to grant the options to such Eligible Participant shall be taken as the date of grant for the purpose of calculating the subscription price of our Shares. The Board shall forward to such Eligible Participant an offer document in such form as the Board may from time to time determine (or, alternatively, documents accompanying the offer document which state), among others:
 - (aa) the Eligible Participant's name, address and occupation;
 - (bb) the date on which an option is offered to an Eligible Participant which must be a date on which the Stock Exchange is open for the business of dealing in securities;
 - (cc) the date upon which an offer for an option must be accepted;
 - (dd) the date upon which an option is deemed to be granted and accepted in accordance with paragraph (c);
 - (ee) the number of Shares in respect of which the option is offered;
 - (ff) the subscription price and the manner of payment of such price for our Shares on and in consequence of the exercise of the option;
 - (gg) the date of the expiry of the option as may be determined by the Board;

- (hh) the method of acceptance of the option which shall, unless the Board otherwise determines, be as set out in paragraph (c); and
- (ii) other terms and conditions (including, without limitation, any minimum period for which an option must be held before it can be exercised and/or any performance targets which must be achieved before the option can be exercised) relating to the offer of the option which in the opinion of the Board are fair and reasonable but not being inconsistent with Share Option Scheme and the Listing Rules.

(f) *Price of Shares*

Subject to any adjustments made as described in paragraph (r) below, the subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price must be at least the higher of:

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

(g) *Granting options to a director, chief executive or substantial shareholder of our Company or any of their respective associates*

Any grant of options to a director, chief executive or substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates (as defined in the Listing Rules) is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options). If the Board proposes to grant options to a substantial shareholder or any independent non-executive Director (or any of their respective associates (as defined in the Listing Rules)) which will result in the number of Shares issued and to be issued upon exercise of options granted and to be granted (including options exercised, canceled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1% or such other percentage as may be from time to time provided under the Listing Rules of our Shares in issue; and
- (ii) having an aggregate value in excess of HK\$5 million or such other sum as may be from time to time provided under the Listing Rules, based on the official closing price of our Shares at the date of each grant, such further grant of options will be subject to the issue of a circular by our Company and

the approval of our Shareholders in general meeting on a poll at which the grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of our Company shall abstain from voting in favor, and/or such other requirements prescribed under the Listing Rules from time to time. Any vote taken at the meeting to approve the grant of such options shall be taken as a poll.

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

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

(h) *Restrictions on the times of grant of Options*

A grant of options shall not be made after inside information has come to the knowledge of our Company until it has announced such inside information pursuant to the requirements of the Listing Rules and the Inside Information Provisions of Part XIVA of the SFO. In particular, no options shall be granted during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's annual results half-year, quarterly or other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for our Company to publish an announcement of its annual results or half-year, or quarterly or other interim period (whether or not required under the Listing Rules,

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

Where an option is granted to a Director, notwithstanding the paragraph above, no options shall be granted: (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (ii) during the period

of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(i) *Rights are personal to grantee*

An option and an offer to grant an option shall be personal to the grantee and shall not be transferrable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option or attempt so to do (save that the grantee may nominate a nominee in whose name our Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

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

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of 10 years from that date. The period during which an option may be exercised will be determined by the Board in its absolute discretion, save that no option may be exercised more than 10 years after it has been granted. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of its adoption.

(k) *Performance target*

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

(l) *Rights on ceasing employment or death*

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

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

(m) *Rights on dismissal*

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

(n) *Rights on takeover*

If a general offer is made to all our Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror (as defined in the Takeovers Codes)) and such offer becomes or is declared unconditional during the option period of the relevant option, the grantee of an option shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional.

(o) *Rights on winding-up*

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall forthwith give notice thereof to all grantees and thereupon, each grantee (or his/her legal personal representative(s)) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company referred to above by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting, allot the relevant Shares to the grantee credited as fully paid and register the grantee as holder thereof.

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

If a compromise or arrangement between our Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of our Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which our Company was incorporated, our Company shall give notice to all the grantees of the options on the same day as it gives notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any grantee may by notice in writing to our Company accompanied by

a remittance for the full amount of the aggregate subscription price for our Shares in respect of which the notice is given (such notice to be received by our Company not later than two business days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and our Company shall as soon as possible and in any event no later than 12:00 noon (Hong Kong time) on the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

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

(q) *Ranking of Shares*

Our Shares to be allotted upon the exercise of an option will not carry voting, dividend or other rights until completion of the registration of the grantee (or any other person) as the holder thereof. Subject to the aforesaid, Shares allotted and issued on the exercise of options will carry the same rights in all respects and shall have the same voting, dividend, transfer and other rights, including those arising on liquidation as attached to the other fully-paid Shares in issue on the date of issue and rights in respect of any dividend or other distributions paid or made on or after the date of issue.

(r) *Effect of alterations to capital*

In the event of any alteration in the capital structure of our Company whilst any option may become or remains exercisable, whether by way of capitalization issue, rights issue, open offer (if there is a price dilutive element), consolidation, sub-division or reduction of share capital of our Company, or otherwise howsoever, such corresponding alterations (if any) shall be made in the number of Shares subject to any options so far as unexercised and/or the subscription price per Share of each outstanding option as the auditors of our Company or an independent financial adviser shall certify in writing to the Board to be in their/his/her opinion fair and reasonable in compliance with Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance issued by the Stock Exchange on September 5, 2005 and any future guidance and interpretation of the Listing Rules issued by the Stock Exchange from time to time and the note thereto. The capacity of the auditors of our Company or the approved independent financial adviser, as the case may be, in this paragraph is that of experts and not arbitrators and their certificate shall, in absence of manifest error, be final and conclusive and binding on our Company and the grantees.

Any such alterations will be made on the basis that a grantee shall have the same proportion of the issued share capital of our Company for which any grantee of an

option is entitled to subscribe pursuant to the options held by him/her before such alteration and the aggregate subscription price payable on full exercise of any option is to remain as nearly as possible the same (and in any event not greater than) as it was before such event. No such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. The issue of securities as consideration in a transaction is not to be regarded as a circumstance requiring any such alterations.

(s) *Expiry of option*

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

- (i) the date of expiry of the option as may be determined by the Board;
- (ii) the expiry of any of the periods referred to in paragraphs (l), (m), (n), (o) or (p);
- (iii) the date on which the scheme of arrangement of our Company referred to in paragraph (p) becomes effective;
- (iv) subject to paragraph (o), the date of commencement of the winding-up of our Company;
- (v) the date on which the grantee ceases to be an Eligible Participant by reason of such grantee's resignation from the employment of our Company or any of its subsidiaries or the termination of his/her employment or contract on any one or more of the grounds that he or he/she has been guilty of serious misconduct, or has been convicted of any criminal offence involving his/her integrity or honesty, or in relation to an employee of our Group (if so determined by the Board), or has been insolvent, bankrupt or has made compositions with his/her creditors generally or any other ground on which an employee would be entitled to terminate his/her employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group. A resolution of the Board to the effect that the employment of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive; or
- (vi) the date on which the Board shall exercise our Company's right to cancel the option at any time after the grantee commits a breach of paragraph (i) above or the options are canceled in accordance with paragraph (u) below.

(t) *Alteration of the Share Option Scheme*

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

- (i) any alteration to the advantage of the grantees or the Eligible Participants (as the case may be) in respect of the matters contained in Rule 17.03 of the Listing Rules; and

- (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted,

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

(u) *Cancellation of Options*

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

(v) *Termination of the Share Option Scheme*

Our Company may by resolution in general meeting or the Board at any time terminate the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any option granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) *Administration of the Board*

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

(x) *Condition of the Share Option Scheme*

The Share Option Scheme is conditional on:

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

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

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

(y) *Disclosure in annual and interim reports*

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

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

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

Application has been made to the Listing Committee of the Stock Exchange for the listing of and permission to deal in our Shares which may fall to be issued pursuant to the exercise of the options to be granted under the Share Option Scheme, being 120,000,000 Shares in total.

2. Tax and other indemnities

Our Controlling Shareholders have entered into a Deed of Indemnity with and in favor of our Company (for itself and as trustee for each of its present subsidiaries) (being the contract referred to in sub-paragraph (i) of the paragraph headed “B. Information about our business — 1. Summary of material contracts” above) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received, any claim to which any member of our Group may be subject and payable on or before the date when the Share Offer becomes unconditional.

3. Litigation

As of the Latest Practicable Date, we were not aware of any other litigation or arbitration proceedings of material importance pending or threatened against us or any of our Directors that could have a material adverse effect on our financial condition or results of operations.

4. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as

mentioned in this prospectus (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme).

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor's fees are HK\$6.68 million and are payable by our Company.

5. Preliminary Expenses

The preliminary expenses incurred and paid by our Company were approximately HK\$70,303.

6. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the Share Offer and the related transactions described in this prospectus.

7. Taxation of holders of Shares

(a) *Hong Kong*

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.1% of the consideration of, if higher, of the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax. Our Directors have been advised that no material liability or estate duty under the laws of China or Hong Kong would be likely to fall upon any member of our Group.

(b) *Cayman Islands*

Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

(c) *Canada*

Under the ITA, a non-resident of Canada will generally not be subject to tax on a capital gain realized by such non-resident shareholder on a disposition of Shares of our Company unless the Shares constitute "taxable Canadian property" of the non-resident shareholder at the time of disposition and the non-resident shareholder is not entitled to relief under an applicable income tax treaty or convention. Please refer to the section headed "Certain Canadian Legal and Regulatory Considerations in Relation to the Share Offer — Certain Canadian federal income tax considerations — Disposition of Shares" in this prospectus for further details.

(d) Consultation with professional advisors

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

8. Qualification of experts

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

Name	Qualification
Lego Corporate Finance Limited	Licensed corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO
McMillan LLP	Legal advisors to our Company as to Canadian laws
PricewaterhouseCoopers	Certified Public Accountants
Harney Westwood & Riegels	Legal advisors to our Company as to Cayman Islands and BVI laws
Husch Blackwell LLP	Legal advisors to our Company as to the U.S. laws
China Insights Industry Consultancy Limited	Industry consultant

9. Consents of Experts

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

10. Interests of experts in our Company

None of the persons named in paragraph 8 of this Appendix is interested beneficially or otherwise in any Shares or shares of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

11. Binding Effect

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

12. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of our 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 our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
 - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
- (b) save as disclosed in this prospectus, there are no founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries;
- (c) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since December 31, 2017 (being the date which the latest audited consolidated financial information of our Group were made up);
- (d) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus;
- (e) the principal register of members of our Company will be maintained in the Cayman Islands by Harneys Fiduciary (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Boardroom Share Registrars (HK) 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 Hong Kong Share Registrar and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted to CCASS;

- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (g) our Directors have been advised that under Cayman Islands law the use of a Chinese name by our Company in conjunction with our English name does not contravene Cayman Islands law;
- (h) save as disclosed in this prospectus, our Company has no outstanding convertible debt securities or debentures;
- (i) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (j) there is no restriction affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong.

13. Bilingual Prospectus

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