

FURTHER INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES

A. FURTHER INFORMATION ABOUT THE COMPANY

1. Incorporation

The Company was incorporated in BVI under the International Business Companies Act of BVI with limited liability under the name of "Windsor Treasure Holdings Limited" on 20 April 2004, and changed its name on 7 October 2004 to "Windsor Treasure Group Holdings Limited" and on 3 May 2007 to "HingLi Home Concepts Ltd.". The Company (re-named as "Hing Lee (HK) Holdings Limited" on 19 November 2008) was subsequently redomiciled to Bermuda and continued as an exempted company under the Companies Act on 30 March 2007.

The Company has established a principal place of business in Hong Kong at [Unit 1101, 11/F., Delta House, 3 On Yiu Street, Shatin, New Territories, Hong Kong] and was registered as a non-Hong Kong company in Hong Kong under Part XI of the Companies Ordinance on 21 October 2008, with Mr. Sung appointed as the authorised representative of the Company for the acceptance of service of process and notice on behalf of the Company in Hong Kong. As the Company has redomiciled and continued its existence in Bermuda, the corporate structure and the Bye-Laws are subject to the relevant laws and regulations of Bermuda. A summary of various provisions of the Bye-Laws and relevant aspects of the Companies Act is set out in Appendix IV to this document.

2. Changes in the share capital of the Company

As at the date of incorporation of the Company, the authorised share capital of the Company was US\$50,000.00 divided into 50,000 shares of US\$1.00 each. The following alterations in the share capital of the Company have taken place since its date of incorporation up to the date of this document:

- (a) On 20 April 2004, a total of 10,000 shares of US\$1.00 each were issued for cash at par, as to (i) 2,624 shares to Mr. Sung; (ii) 2,524 shares to Mr. Chan; (iii) 2,524 shares to Mr. Cheung; and (iv) 2,328 shares to Mr. Huang which were fully paid.
- (b) On 28 July 2004, the Founders transferred their respective shares to their respective investment vehicles at par, as to (i) 2,224 shares and 400 shares from Mr. Sung to Capitalrise Group Limited and Bloominvest Group Limited respectively; (ii) 2,224 shares and 300 shares from Mr. Chan to Good Profit Trading Limited and Hero Profit International Limited respectively; (iii) 2,224 shares and 300 shares from Mr. Cheung to Metronet Investments Limited and Ace Victory Investments Limited respectively; and (iv) 1,289 shares and 1,039 shares from Mr. Huang to Even Skill Technology Limited and Wellasia International Limited respectively.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (c) On 23 November 2004, a total of 20,000 shares of US\$1.00 each were issued and allotted, credited as fully paid, as to (i) 4,448 shares to Capitalrise Group Limited and 802 shares to Bloominvest Group Limited (each as directed by Mr. Sung); (ii) 4,448 shares to Good Profit Trading Limited and 602 shares to Hero Profit International Limited (each as directed by Mr. Chan); (iii) 4,448 shares to Metronet Investments Limited and 602 shares to Ace Victory Investments Limited (each as directed by Mr. Cheung) and (iv) 2,578 shares to Even Skill Technology Limited and 2,072 shares to Wellasia International Limited (each as directed by Mr. Huang), as the consideration for the acquisition of the entire issued share capital in Great Ample (the intermediate holding company of the Group) (other than 1 share in Great Ample which was then already held by the Company) from the Founders.
- (d) On 24 November 2004, pursuant to a sale and purchase agreement dated 19 August 2004, (i) a total of 10,410 shares of US\$1.00 each were acquired by Talent Sino Holdings Limited, a wholly-owned subsidiary of Omnicorp Limited, from the investment vehicles of the Founders as set out in paragraphs (b) and (c) above at a total consideration of HK\$17,003,000 which was satisfied by the issue of 17,003,000 new shares of Omnicorp Limited at an issue price of HK\$1.00 each to the respective vendors and (ii) 10,410 shares of US\$1.00 each were issued and allotted to Talent Sino Holdings Limited at a total issue price of HK\$17,003,000 in cash which were fully paid.
- (e) On 8 June 2005, each of Good Profit Trading Limited, Metronet Investments Limited, Even Skill Technology Limited and Capitalrise Group Limited transferred 600 shares of US\$1.00 each at par value to each of Capital Trinity Limited and Brilliant Team Holdings Limited (the investment vehicles of Ms. Xu Cai Xia and Mr. Su Yi respectively) as nominees to hold such shares for Ms. Xu Cai Xia, Mr. Su Yi and 8 members of the senior management.
- (f) On 28 July 2006, in accordance with an agreement dated 22 May 2006, a total of 20,820 shares of US\$1.00 each, being the entire shareholding then held by Talent Sino Holdings Limited, and the shareholder's loan owing by the Company to Talent Sino Holdings Limited were transferred from Talent Sino Holdings Limited to Triple Express at a total cash consideration of HK\$96,000,000.
- (g) On 31 December 2006, 9,234 shares of US\$1.00 each were issued and allotted, credited as fully paid, to Triple Express by way of capitalisation of the shareholder's loan of HK\$27,500,000.00 owing by the Company to Triple Express pursuant to a subscription agreement dated 31 December 2006.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (h) On 31 January 2007, the following transfers of shares took place:
- (i) 3,157 shares and 785 shares of US\$1.00 each were transferred from Capitalrise Group Limited and Bloominvest Group Limited respectively to King Right Holdings Limited, being the new investment vehicle of Mr. Sung, at par;
 - (ii) 3,157 shares and 589 shares of US\$1.00 each were transferred from Good Profit Trading Limited and Hero Profit International Limited respectively to Golden Sunday Limited, being the new investment vehicle of Mr. Chan, at par;
 - (iii) 3,157 shares and 589 shares of US\$1.00 each were transferred from Metronet Investments Limited and Ace Victory Investments Limited respectively to United Sino Limited, being the new investment vehicle of Mr. Cheung, at par;
 - (iv) 1,325 shares and 2,031 shares of US\$1.00 each were transferred from Even Skill Technology Limited and Wellasia International Limited respectively to Top Right Trading Limited, being the new investment vehicle of Mr. Huang, at par;
 - (v) 2,304 shares and 96 shares of US\$1.00 each were transferred from Capital Trinity Limited to Golden Sunday Limited and United Sino Limited respectively at par;
 - (vi) 2,335 shares and 65 shares of US\$1.00 each were transferred from Brilliant Team Holdings Limited to Top Right Trading Limited and United Sino Limited respectively at par; and
 - (vii) 2,143 shares and 2,108 shares of US\$1.00 each were transferred from Triple Express to United Sino Limited and King Right Holdings Limited respectively for a consideration of HK\$3,217 per share.
- (i) On 5 May 2009, the currency denomination of the issued and unissued share capital of the Company was changed from United States Dollars to Hong Kong Dollars by adopting the exchange rate of US\$1.00 to HK\$7.80 such that the Company's authorised share capital has become HK\$390,000 divided into 50,000 shares of HK\$7.80 each and the issued share capital has become HK\$387,223.20 divided into 49,644 shares of HK\$7.80 each and immediately thereafter, each of the issued and unissued shares of HK\$7.80 each in the share capital of the Company was subdivided into 780 shares of HK\$0.01 each so that the share capital of the Company comprised 38,722,320 issued shares and 277,680 unissued shares of HK\$0.01 each.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (j) Pursuant to the written resolutions of the Shareholders passed on 29 May 2009, the authorised share capital of the Company was increased from HK\$390,000 to HK\$10,000,000 by the creation of an additional of 961,000,000 Shares of HK\$0.01 each.
- (k) Conditional on the share premium account of the Company being credited as a result of [●], the Directors were authorised to capitalise an amount of HK\$[●] from the amount standing to the credit of the share premium account of the Company and that the said sum be capitalised and applied to pay up in full at par a total of [●] Shares, such Shares to be allotted and issued, credited as fully paid at par, to the holders of Shares whose names appear on the register of members of the Company at the close of business on 29 May 2009 or as each of them may direct in writing, in proportion (or as nearly as possible without involving the issue of fractions of Shares) to their respective shareholdings in the Company.
- (l) Immediately upon completion of [●] (but without taking into account of any Shares which may be allotted and issued pursuant to the exercise of subscription rights under any options granted under [●] and options which may be granted under the Share Option Scheme), [●] Shares will be issued fully paid or credited as fully paid and [●] Shares will remain unissued.

Save as disclosed herein and in the paragraph headed "Written resolutions of the Shareholders on 29 May 2009" below, there has been no alteration in the share capital of the Company since the date of its incorporation.

3. Written resolutions of the Shareholders on 29 May 2009

[●]

4. Subsidiaries

The subsidiaries of the Company are listed in the accountant's report set out in Appendix [I] to this document. The following alterations in the share capital (or registered capital, as the case may be) of the subsidiaries of the Company have taken place within the two years immediately preceding the date of this document:

(a) *Hander International*

Hander International was incorporated in Hong Kong with limited liability on 12 November 2007. On the same day, 1 share of HK\$1.00 was issued and allotted to Cartech Limited as subscriber for cash at par and was fully paid. Such share was transferred by the subscriber to Springrich Investments for a cash consideration of HK\$1.00 on 10 December 2007.

On 20 December 2007, 77 shares of HK\$1.00 each and 22 shares of HK\$1.00 each were issued and allotted to Springrich Investments and Cheernew Investments Limited respectively for a cash consideration of HK\$1.00 per share, all of which were fully paid.

(b) Hanmix

Hanmix was incorporated in Hong Kong with limited liability on 15 November 2007. On the same day, 1 share of HK\$1.00 was issued and allotted to Cartech Limited as subscriber for cash at par and was fully paid. Such share was transferred by the subscriber to Success Profit for a cash consideration of HK\$1.00 on 10 December 2007.

(c) Dongguan Super Furniture

The interests of Springrich Investments and Cheernew Investments Limited in Dongguan Super Furniture were transferred by them to Hander International at a cash consideration of US\$1,310,400 and US\$369,600 respectively pursuant to an agreement dated 28 December 2007, the approval of which was obtained from the relevant authority on 30 May 2008. As a result of the transfer, Hander International was deemed to be indebted to Springrich Investments and Cheernew Investments Limited for a sum of US\$1,310,400 and US\$369,600 respectively.

(d) Shenzhen Xingli

The interests of Success Profit in Shenzhen Xingli were transferred by Success Profit to Hanmix at a cash consideration of RMB1,000,000 pursuant to an agreement dated 28 December 2007, the approval of which was obtained from the relevant authority on 16 May 2008. As a result of the transfer, Hanmix was deemed to be indebted to Success Profit for a sum of RMB1,000,000.

(e) Hing Lee Ideas

Hing Lee Ideas was incorporated in the Federal Territory of Labuan, Malaysia with limited liability on 3 January 2008. It has an authorised share capital of US\$10,000 divided into 10,000 shares of US\$1.00 each. 1 share of US\$1.00 was issued and allotted to Capico Asset Management Sdn. Bhd. as subscriber for cash at par and was fully paid. Such share was transferred by the subscriber to Great Ample for a cash consideration of US\$1.00 on 23 January 2008.

Save as mentioned herein, there has been no alteration in the share capital (or registered capital, as the case may be) of the subsidiaries of the Company within the two years immediately preceding the date of this document.

5. Further information about the Company's subsidiaries in the PRC

The Company has interests in a number of subsidiaries in the PRC. Set out below is a summary of the corporate information of these PRC subsidiaries:

Shenzhen Xingli

- (i) Corporate name : 深圳興利家具有限公司 (Shenzhen Xingli Furniture Company Limited)
- (ii) Date of incorporation : 16 December 2002
- (iii) Registered office : 深圳市龍崗區布吉鎮雪象花園新村一棟1-3層
- (iv) Economic nature : Wholly foreign-owned enterprise
- (v) Registered owner : Hanmix
- (vi) Total investment capital : RMB112,000,000.00
- (vii) Registered capital : RMB60,000,000.00
- (viii) Attributable interest to the Group : 100%
- (ix) Term of operation : 16 December 2002 to 16 December 2012
- (x) Scope of business : Develop, design, manufacture and sale of panel furniture, solid wood furniture, soft furniture, steel furniture, lighting, bed accessories and decorative furniture and import and export of goods and technologies (excluding distribution and state exclusive or controlled goods)
- (xi) Directors : Mr. Chan Kwok Kin (陳國堅), Mr. Huang Wei Ye (黃偉業), Mr. Wu Guo Long (吳國龍), Mr. Su Yi (蘇毅)
- (xii) Legal representative : Mr. Chan Kwok Kin (陳國堅)

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Shenzhen Xingli Zundian

- (i) Corporate name : 深圳興利尊典家具有限公司 (Shenzhen Xingli Zundian Furniture Company Limited)
- (ii) Date of incorporation : 28 December 2004
- (iii) Registered office : 深圳市龍崗區布吉坂田吉華路龍壁工業區
2#首、二層
- (iv) Economic nature : Wholly foreign-owned enterprise
- (v) Registered owner : Hing Lee (China)
- (vi) Total investment capital : RMB100,000,000.00
- (vii) Registered capital : RMB40,000,000.00
- (viii) Attributable interest to the Group : 100%
- (ix) Term of operation : 28 December 2004 to 28 December 2014
- (x) Scope of business : Develop, design, manufacture and sale of panel furniture, solid wood furniture, soft furniture, steel furniture, lighting, bed accessories and decorative furniture and import and export of goods and technologies (excluding distribution and state exclusive or controlled goods)
- (xi) Directors : Mr. Huang Wei Ye (黃偉業), Mr. Wu Guo Long (吳國龍), Huang Zhi Bin (黃志斌)
- (xii) Legal representative : Mr. Huang Wei Ye (黃偉業)

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Dongguan Super Furniture

- (i) Corporate name : 東莞興展家具有限公司 (Dongguan Super Furniture Company Limited)
- (ii) Date of incorporation : 14 October 2005
- (iii) Registered office : 東莞市常平鎮袁山貝村
- (iv) Economic nature : Wholly foreign-owned enterprise
- (v) Registered owner : Hander International
- (vi) Total investment capital : USD1,680,000.00
- (vii) Registered capital : USD1,680,000.00
- (viii) Attributable interest to the Group : 78%
- (ix) Term of operation : 14 October 2005 to 14 October 2017
- (x) Scope of business : Manufacture and sale of mattress, bed accessories and bedroom furniture
- (xi) Directors : Mr. Cheung Kong Cheung (張港璋), Mr. Chan Kwok Kin (陳國堅), Mr. Su Yi (蘇毅)
- (xii) Legal representative : Mr. Cheung Kong Cheung (張港璋)

6. Repurchase by the Company of its own Shares

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

(a) *Relevant legal and regulatory requirements*

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own shares on the Stock Exchange subject to certain restrictions, amongst which it is provided that:

(i) Shareholders' approval

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

Pursuant to the written resolutions of the Shareholders passed on 29 May 2009, conditional upon [●], a general unconditional mandate (the "**Repurchase Mandate**") was given to the Directors to exercise all the powers of the Company to repurchase the Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of [●] (but excluding any Shares which may be issued pursuant to the exercise of options granted under or which may be granted under [●] and the Share Option Scheme). The Repurchase Mandate will remain in effect until the conclusion of the next annual general meeting of the Company, or the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Bye-Laws to be held, or when it is revoked, varied or renewed by an ordinary resolution of the Shareholders in general meeting, whichever is the earliest.

(ii) Source of funds

Repurchases must be paid out of funds legally available for the purpose in accordance with the Bye-Laws and the applicable laws of Bermuda. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Companies Act, any repurchase of shares may only be effected out of the capital paid up on the repurchased shares or out of the funds of the Company otherwise available for dividend or distribution or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase. Any premium payable on a repurchase over the par value of the shares to be repurchased must be provided for out of funds of the Company otherwise available for dividend or distribution or out of the Company's share premium account.

(b) Reasons for repurchases

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

(c) Funding of repurchases

In repurchasing the Shares, the Company may only apply funds of the Company legally available for such purpose in accordance with its memorandum of continuance and Bye-Laws, the Listing Rules and the applicable laws and regulations of Bermuda.

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

(d) Number of Shares which may be repurchased

On the basis of [●] Shares in issue immediately following the completion of [●] (without taking into account the exercise of the options granted under [●] and which may be granted under the Share Option Scheme), the Directors would be authorised under the Repurchase Mandate to repurchase up to [●] Shares during the period in which the Repurchase Mandate remains in force.

(e) General

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

The Directors [have undertaken] to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Bye-Laws and the applicable laws and regulations of Bermuda.

If as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases of Shares pursuant to the Repurchase 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 the Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the Listing Rules requirements regarding public shareholding. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent that in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

No connected person of the Company has notified the Company that he has a present intention to sell Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

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

- (i) a contract entered into between Shenzhen Xingli Zundian and 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management) dated 29 June 2007 in relation to the grant of land use rights over the land numbered G14310-0206 of area of approximately 41,064.83 sq.m. for a term commencing from 29 June 2007 to 28 June 2057 to Shenzhen Xingli Zundian for a cash consideration of RMB21,094,404;
- (ii) a contract entered into between Shenzhen Xingli and 深圳市國土資源和房產管理局 (Shenzhen Municipal Bureau of Land Resources and Housing Management) dated 29 June 2007 in relation to the grant of land use rights over the land numbered G14309-0285 of area of approximately 43,817.36 sq.m. for a term commencing from 29 June 2007 to 28 June 2057 to Shenzhen Xingli for a cash consideration of RMB22,593,085;
- (iii) an agreement between Hing Lee Furniture Group Limited and May Day Design dated 8 October 2007 (as supplemented by a letter from Hing Lee Furniture Group Limited to May Day Design dated 28 November 2008 and countersigned by May Day Design) in relation to the engagement of the latter for the purpose of constructing a strategy to reach the European and international market for the Group for a cash consideration of 176,000 Euros payable in stages;
- (iv) an agreement between Shenzhen Xingli and Schuler Business Solutions AG ("SBS") dated 9 November 2007 in relation to the provision of technical services by SBS for the layout of the veneer furniture factory and modern furniture factory in Shenzhen for a consulting fee of 98,000 Euros payable in stages;
- (v) a contract between Shenzhen Xingli and 廣東五華二建工程有限公司 (Guangdong Wu Hua Er Jian Construction Company Limited) ("**Guangdong Wu Hua**") dated 23 April 2008 in relation to the first phase construction of the new production plant, dormitory and warehouse of Shenzhen Xingli for a contract sum of RMB56,614,336.46 (save that a bonus of RMB50,000 will be paid by Shenzhen Xingli to Guangdong Wu Hua for each day of early completion of the construction work before the agreed completion date subject to a cap of 3% of the contract sum);

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (vi) a supplemental agreement to the contract referred to in paragraph (v) above dated 10 June 2008 between Shenzhen Xingli and Guangdong Wu Hua in relation to the foundation work of the new production plant, dormitory and warehouse for a contract sum of RMB1,850,940;
- (vii) a deed of confirmation dated 28 November 2008 signed by Success Profit, Mr. Sung, Mr. Chan, Mr. Cheung and the then shareholders of LFST (being Mr. Huang, Ye Jian Qun, Wu Guo Long and Lin Qi Sheng) confirming that (a) Success Profit issued 2,100 new shares to each of Mr. Sung, Mr. Chan and Mr. Cheung in satisfaction of the consideration payable to them respectively for the acquisition of their equity interests in Shenzhen Xingli by Success Profit and (b) the consideration paid by Success Profit to LFST in cash for the acquisition of LFST’s equity interests in Shenzhen Xingli by Success Profit was applied towards the subscription of 3,700 shares in Success Profit which were allotted and issued to Mr. Huang;
- (viii) the Non-competition Deed dated [●] executed by Triple Express, Mr. Fang Shin and the Founders in favour of the Company (for itself and as trustee for its subsidiaries) containing the non-competition undertakings as more particularly set out in the paragraph headed “Non-competition undertakings” in the section headed “Business” in this document;
- (ix) the Deed of Indemnity dated [●] executed by the Founders and their respective investment vehicles (namely, King Right Holdings Limited, United Sino Limited, Golden Sunday Limited and Top Right Trading Limited) in favour of the Company (for itself and as trustee for its subsidiaries) containing, among other things, indemnities as more particularly set out in the paragraph headed “Tax and other indemnities” in the section headed “Other information” in this Appendix; and
- (x) [●]

2. Intellectual property

A. Trademarks

(a) Trademarks owned by the Group











As at the Latest Practicable Date, the Group was the owner of the following registered trademarks, details of which are as follows:

(i) Trademarks registered in the PRC

Trademark	Registration number	Registered owner	Class	Duration of validity
	3951830	Sharp Motion	20	7 December 2006 to 6 December 2016











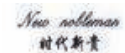
APPENDIX V

STATUTORY AND GENERAL INFORMATION

Trademark	Registration number	Registered owner	Class	Duration of validity
	3951832	Sharp Motion	20	7 September 2006 to 6 September 2016
兴利万家	3951954	Sharp Motion	20	21 September 2006 to 20 September 2016
	4110515	Sharp Motion	20	21 April 2007 to 20 April 2017
	1636912	Sharp Motion	20	21 September 2001 to 20 September 2011
瑞珀 SCRIDE	1628947	Sharp Motion	20	7 September 2001 to 6 September 2011
	1616907	Sharp Motion	20	14 August 2001 to 13 August 2011
	1640913	Shenzhen Xingli Zundian	20	28 September 2001 to 27 September 2011
尊典 	1684968	Shenzhen Xingli Zundian	20	21 December 2001 to 20 December 2011
世紀葵花	1801273	Sharp Motion	20	7 July 2002 to 6 July 2012
	1816405	Sharp Motion	20	28 July 2002 to 27 July 2012
	3018122	Sharp Motion	20	28 February 2003 to 27 February 2013
	1931952	Sharp Motion	20	7 August 2002 to 6 August 2012
	2002415	Sharp Motion	20	7 January 2005 to 6 January 2015
欧瑞	1751356	Sharp Motion	20	21 April 2002 to 20 April 2012

APPENDIX V




STATUTORY AND GENERAL INFORMATION

Trademark	Registration number	Registered owner	Class	Duration of validity
	3939923	Sharp Motion	20	21 September 2006 to 20 September 2016
	3827179	Sharp Motion	20	21 April 2006 to 20 April 2016
	3216213	Sharp Motion	20	7 January 2006 to 6 January 2016
	3216308	Sharp Motion	20	28 October 2003 to 27 October 2013
	1929758	Sharp Motion	20	14 October 2002 to 13 October 2012
	1930747	Sharp Motion	24	7 November 2003 to 6 November 2013
	3477994	Sharp Motion	20	28 January 2005 to 27 January 2015
品至 PZ-king	3446378	Sharp Motion	20	7 December 2004 to 6 December 2014
	3079844	Sharp Motion	20	7 April 2003 to 6 April 2013
	1761259	Sharp Motion	24	7 May 2002 to 6 May 2012
	1728905	Sharp Motion	20	14 March 2002 to 13 March 2012
万家兴利	3951831	Sharp Motion	20	21 January 2009 to 20 January 2019
	3954555	Sharp Motion	20	21 January 2009 to 20 January 2019
	3954556	Sharp Motion	20	21 January 2009 to 20 January 2019

APPENDIX V

STATUTORY AND GENERAL INFORMATION




(ii) Trademarks registered outside the PRC

Trademark	Place of registration	Registration number	Registered owner	Class	Duration of validity
	Hong Kong	300757152	Sharp Motion	20, 24	9 November 2006 to 8 November 2016
	Hong Kong	300757143	Sharp Motion	20, 24	9 November 2006 to 8 November 2016
万家兴利	Hong Kong	300174807	Hing Lee Furniture Group Limited	20	10 March 2004 to 9 March 2014
兴利万家	Hong Kong	300174780	Hing Lee Furniture Group Limited	20	10 March 2004 to 9 March 2014
HINGLEE MYRIAD HOME	Hong Kong	300174799	Hing Lee Furniture Group Limited	20	10 March 2004 to 9 March 2014
	Hong Kong	300174816	Hing Lee Furniture Group Limited	20	10 March 2004 to 9 March 2014
	Hong Kong	300228096	Hing Lee Furniture Group Limited	20	7 June 2004 to 6 June 2014

(b) Application for registration of trademarks

As at the Latest Practicable Date, the Group had applied for registration of the following trademarks, the certificates of registration of which have not yet been granted, details of which are as follows:

(i) Applications for trademarks in the PRC


Trademark	Application number	Name of applicant	Class	Application date (Note 1)
	4832633	Sharp Motion	20	12 August 2005
	5427465	Sharp Motion	20	19 June 2006
慕沙	5694266	Sharp Motion	20	1 November 2006
慕沙	5694267	Sharp Motion	24	1 November 2006
	5694268	Sharp Motion	20	1 November 2006

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Trademark	Application number	Name of applicant	Class	Application date (Note 1)
	5694269	Sharp Motion	24	1 November 2006
	6487601	Sharp Motion	20	2 January 2008
	6574137	Sharp Motion	20	3 March 2008
	6574136	Sharp Motion	20	3 March 2008
	7114832	Sharp Motion	20	16 December 2008

(ii) Applications for trademarks outside the PRC

Trademark	Place of application	Application number	Name of applicant	Class	Application date (Note 2)
	Italy	TO2008C001973	Shenzhen Xingli Zundian	20	11 June 2008

Notes:

1. According to the PRC Legal Advisers, the time required for completion of the registration procedures cannot be ascertained as it depends on the progress of the examination and approval procedures of 中華人民共和國國家工商行政管理總局商標局 (Trademark Office of State Administration for Industry and Commerce of the PRC). According to the PRC Legal Advisers, 中華人民共和國國家工商行政管理總局商標局 (Trademark Office of State Administration for Industry and Commerce of the PRC) will examine whether the subject trademarks are distinctive, distinguishable and in conflict with any prior right acquired by another person. Subject to the passing of the examination of 中華人民共和國國家工商行政管理總局商標局 (Trademark Office of State Administration for Industry and Commerce of the PRC) in relation to the above, the PRC Legal Advisers have advised that there would be no legal impediments for the Group to obtain the approval for the registration of such trademarks.
2. According to a legal opinion from an Italian legal adviser obtained by the Group, [under normal circumstances, the completion of the registration procedures is expected to take three to four years from the filing date. The Group was advised by the Italian legal adviser that the chance of refusal of such registration was very low. However, the fact that the Italian Trademark and Patent Office issues a certificate of registration does not mean that the relevant trademark is valid since the novelty, which is a requirement by law, has not been examined by the said Office and the novelty of such trademark may be eventually contested by legal action, though such risk is considered to be low by such Italian legal adviser.]

APPENDIX V

STATUTORY AND GENERAL INFORMATION

B. Patents

(a) Patents owned by the Group

As at the Latest Practicable Date, the Group was the owner of the following patents, details of which are as follows:

Patents	Place of registration	Registration number	Registered owner	Date of application <i>(Note)</i>
床 (Bed) (JX20T8)	PRC	200630018240.0	Shenzhen Xingli Zundian	18 August 2006
床 (Bed) (M63T8)	PRC	200630018232.6	Shenzhen Xingli Zundian	18 August 2006
床 (Bed) (JX09T8)	PRC	200630018229.4	Shenzhen Xingli Zundian	18 August 2006
床 (Bed) (JX03T8)	PRC	200630018230.7	Shenzhen Xingli Zundian	18 August 2006
梳妝台 (Dressing table) (JH01T2)	PRC	200730006069.6	Sharp Motion	14 February 2007
床 (Bed) (M63T8)	PRC	200730006072.8	Sharp Motion	14 February 2007

Note: The validity period of the patents is 10 years from the date of application.

(b) Application for registration of patents

As at the Latest Practicable Date, the Group had applied for registration of the following patents, the certificates of registration of which have not yet been granted, details of which are as follows:

Patents	Place of application	Application number	Applicant	Application date <i>(Note)</i>
床 (Bed) (JN16T8)	PRC	200730154374.X	Sharp Motion	17 August 2007
床 (Bed) (JK02T8)	PRC	200730154376.9	Sharp Motion	17 August 2007
躺椅 (Deck chair) (H2886)	PRC	200730154377.3	Sharp Motion	17 August 2007
床頭櫃 (Bedside cupboard) (JK02T1)	PRC	200730154383.9	Sharp Motion	17 August 2007
床 (Bed) (JN17T8)	PRC	200730154382.4	Sharp Motion	17 August 2007
床 (Bed) (JK01T8)	PRC	200730154381.X	Sharp Motion	17 August 2007

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Patents	Place of application	Application number	Applicant	Application date (Note)
床頭櫃 (Bedside cupboard) (JK01T1)	PRC	200730154380.5	Sharp Motion	17 August 2007
裝飾櫃 (Ornament cabinet) (JNN710)	PRC	200730154379.2	Sharp Motion	17 August 2007
組合櫃 (Combination cabinet) (JNN305)	PRC	200730154378.8	Sharp Motion	17 August 2007
床頭櫃 (Bedside cupboard) (JN16T1)	PRC	200730154373.5	Sharp Motion	17 August 2007
二門餐邊櫃 (Two-door dining cabinet) (DR17)	PRC	200830008759.X	Sharp Motion	11 March 2008
床頭屏風 (Bedside shield) (BD8)	PRC	200830008760.2	Sharp Motion	11 March 2008
趟門餐衣櫃 (Cabinet with sliding door(s)) (DR18)	PRC	200830008764.0	Sharp Motion	11 March 2008
茶几 (Coffee table) (DR25)	PRC	200830008758.5	Sharp Motion	11 March 2008
妝台 (Dressing table) (BD23)	PRC	200830008755.1	Sharp Motion	11 March 2008
折疊門餐邊櫃 (Dining cabinet with foldable door(s)) (DR22)	PRC	200830009039.5	Sharp Motion	11 March 2008
床頭櫃 (Bedside cupboard) (BD27)	PRC	200830008762.1	Sharp Motion	11 March 2008
八斗櫃 (Eight-drawer cabinet) (BD25)	PRC	200830008763.6	Sharp Motion	11 March 2008
床 (Bed) (BDR2)	PRC	200830008756.6	Sharp Motion	11 March 2008
床尾凳 (Bed-end chair) (BD3)	PRC	200830008757.0	Sharp Motion	11 March 2008
折疊床頭屏風 (Foldable bedside shield) (BD31)	PRC	200830008768.9	Sharp Motion	11 March 2008
三位沙發 (Three-seat sofa) (DR27)	PRC	200830008761.7	Sharp Motion	11 March 2008
餐椅 (Dining chair) (DR9)	PRC	200830008753.2	Sharp Motion	11 March 2008
扶手餐椅 (Dining chair with armrest) (DR13)	PRC	200830008747.7	Sharp Motion	11 March 2008
妝鏡 (Dressing mirror) (BD29)	PRC	200830008754.7	Sharp Motion	11 March 2008
架子床 (Bunk bed) (BD36)	PRC	200830008751.3	Sharp Motion	11 March 2008
四門衣櫃 (Four-door wardrobe (BD15)	PRC	200830008752.8	Sharp Motion	11 March 2008

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Patents	Place of application	Application number	Applicant	Application date (Note)
茶几 (Coffee table) (DR24)	PRC	200830008766.X	Sharp Motion	11 March 2008
二門書架 (Two-door bookshelf) (DR26A)	PRC	200830008769.3	Sharp Motion	11 March 2008
三門書架 (Three-door bookshelf) (DR26B)	PRC	200830008750.9	Sharp Motion	11 March 2008
四門書架 (Four-door bookshelf) (DR26C)	PRC	200830008765.5	Sharp Motion	11 March 2008
書台 (Desk) (DR26D)	PRC	200830008746.2	Sharp Motion	11 March 2008
床 (Bed) (BD1)	PRC	200830008749.6	Sharp Motion	11 March 2008
餐桌 (Dining table) (DR1)	PRC	200830008748.1	Sharp Motion	11 March 2008

Note: According to the PRC Legal Advisers, the time required for completion of the registration procedures cannot be ascertained as it depends on the progress of the examination and approval procedures of 中華人民共和國國家知識產權局 (the State Intellectual Property Office of the PRC). The PRC Legal Advisers have also advised that the subject designs must not be identical with or similar to any design which, before the date of filing, has been publicly disclosed in publications in the country or abroad or has been publicly used in the country, and must not be in conflict with any prior right of any other person. Subject to the examination of 中華人民共和國國家知識產權局 (the State Intellectual Property Office of the PRC) in relation to the above, the compliance of the application procedures by the Group as required under 中華人民共和國專利法 (the Patent Law of the PRC) and the payment of the relevant fees involved in the applications, the PRC Legal Advisers have advised that there would be no legal impediments for the Group to obtain the approval for the registration of such patents.

C. Domain name

As at the Latest Practicable Date, the Group was the registrant of the following domain name:

Domain name	Registration date	Expiry date
www.hingleegroup.com (Note)	24 October 2003	24 October 2010

Note: The contents contained in the website above do not form part of this document.

Save as disclosed above, there are no other trademarks, patents or other intellectual property rights which are material in relation to the business of the Group.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT STAFF AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of interests or short position of Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations

Immediately following completion of [●] and assuming that the options granted under [●] and which may be granted under the Share Option Scheme are not exercised, the interests and/or short positions of the Directors and the chief executive of the Company in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which once the Shares are [●], (a) will have to be disclosed pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests in which they are taken or deemed to have taken under the SFO), (b) will be required pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or (c) will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange, are as follows:

(i) Long positions in Shares

Name of Director/ chief executive	Number of Shares	Capacity	<i>Note</i>	Approximate percentage of shareholding %
Mr. Sung	[●]	Interest of a controlled corporation	1	[●]
Mr. Cheung	[●]	Interest of a controlled corporation	2	[●]

Notes:

- [King Right Holdings Limited (“**King Right**”) is the registered and beneficial owner of these Shares. By virtue of the SFO, Mr. Sung is deemed to be interested in the same parcel of Shares in which King Right is interested since Mr. Sung owns the entire issued share capital of King Right.]
- [United Sino Limited (“**United Sino**”) is the registered and beneficial owner of these Shares. By virtue of the SFO, Mr. Cheung is deemed to be interested in the same parcel of Shares in which United Sino is interested since Mr. Cheung owns the entire issued share capital of United Sino.]

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(ii) *Interest in share options granted by the Company*

Name of Director	Date of grant	Exercise price per Share	Number of Shares subject to options granted under [●]	Expiry date	Vesting period
Mr. Sung	[●]	[●]	[●] [●]	[●]	[●]
Mr. Cheung	[●]	[●]	[●] [●]	[●]	[●]
Mr. Sun Jian	[●]	[●]	[●] [●]	[●]	[●]

2. Particulars of service contracts and letters of appointment

(a) *Executive Directors*

Each of the executive Directors has entered into a service contract with the Company on 29 May 2009 for an initial term of 3 years with effect from [●] and thereafter be continuous unless and until terminated by not less than three months' prior notice in writing served by either party on the other. The aggregate annual basic salary (excluding the bonus mentioned below) of all the executive Directors is HK\$2,000,000 and the basic salary of each executive Director is subject to annual review with such increment (if any) at such rate to be determined by the remuneration committee of the Company and approved by a majority in number of the members of the Board (excluding the Director whose salary is under review) and the relevant executive Director shall abstain from voting and shall not be counted in the quorum in respect of the proposed resolution regarding the increment.

Pursuant to the terms of the service contracts entered into between each executive Director and the Company, the annual salary of each executive Director is as follows:

Name	Annual salary (HK\$)
Mr. Sung	1,000,000
Mr. Cheung	1,000,000

Each of the executive Directors may be entitled to a discretionary bonus determined and approved by the Board provided that the aggregate amount of such bonus payable in each financial year to all the executive Directors shall not exceed 5% of the audited consolidated net profit of the Group (before taxation but after minority interests and the taxation attributable to the minority interests).

APPENDIX V

STATUTORY AND GENERAL INFORMATION

(b) *Non-executive Director and independent non-executive Directors*

Each of the non-executive Director and the independent non-executive Directors has entered into a letter of appointment with the Company for a period of 2 years commencing from [●] subject to the provision of retirement and rotation of Directors under the Bye-Laws.

Pursuant to the terms of the letters of appointment entered into between the non-executive Director and the independent non-executive Directors on the one part and the Company on the other part, the annual director's fee payable to each of them is as follows:

Name	Annual Director's fee ([HK\$])
Fang Yan Zau, Alexander	100,000
Sun Jian	100,000
Shao Hanqing	100,000
Kong Hing Ki	100,000

The non-executive Director and the independent non-executive Directors are not entitled to any bonus.

- (c) Each of the Directors is entitled to reimbursement for all necessary and reasonable out-of-pocket expenses properly incurred in the course of appointment.
- (d) Save as disclosed in this document, none of the Directors has entered into any service agreements with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

3. Directors' remuneration

- (a) The aggregate sums of approximately HK\$3,138,000, HK\$7,712,000 and HK\$[5,448,000] were paid to the Directors as remuneration (including benefits in kind and share option benefits vested) by the Group for the three financial years ended 31 December 2008 respectively. Further information in respect of the Directors' remuneration is set out in the accountant's report in Appendix [I] to this document.
- (b) Under the arrangements currently in force, it is estimated that an aggregate of approximately HK\$[3,379,000] will be paid to the Directors as remuneration (including benefits in kind and share option benefits vested but excluding any discretionary bonus which may be paid to any executive Director) by the Group for the financial year ending 31 December 2009.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (c) None of the Directors has been paid any sum of money for each of the three financial years ended 31 December 2006, 2007 and 2008 respectively for (i) the loss of office as director or any other office in connection with the management affairs of any member of the Group; or (ii) as an inducement to join or upon joining any member of the Group.
- (d) There has been no arrangement under which a Director has waived or agreed to waive any emoluments in each of the three financial years ended 31 December 2006, 2007 and 2008 respectively.

4. Substantial Shareholders

So far as the Directors are aware, immediately following completion of [●] and assuming that the options granted under [●] and which may be granted under the Share Option Scheme are not exercised, the following persons (other than the Directors or chief executive of the Company) will have an interest and/or a short position in the Shares or underlying Shares or debentures of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or will be expected, directly or indirectly, to be interested in 10% or more of nominal value of any class of share capital carrying right to vote in all circumstances at general meetings of any member of the Group, once the Shares are [●]:

(i) Long positions in Shares

Name	Capacity	Number of Shares	Approximate percentage of shareholding %	Note
Triple Express	Beneficial owner	[●]	[●]	1
Mr. Fang Shin	Interest of a controlled corporation	[●]	[●]	1
Mrs. Fang Chang Rose Jean	Family interests	[●]	[●]	1
King Right	Beneficial owner	[●]	[●]	2
Ms. Wong Wai King	Family interests	[●]	[●]	2
United Sino	Beneficial owner	[●]	[●]	3
Ms. Li Xin	Family interests	[●]	[●]	3
Golden Sunday Limited	Beneficial owner	[●]	[●]	4
Mr. Chan	Interest of a controlled corporation	[●]	[●]	4
Ms. Ho Fung Ying	Family interests	[●]	[●]	4
Top Right Trading Limited	Beneficial owner	[●]	[●]	5
Mr. Huang	Interest of a controlled corporation	[●]	[●]	5
Ms. Ye Jian Qun	Family interests	[●]	[●]	5

APPENDIX V

STATUTORY AND GENERAL INFORMATION

Notes:

1. Triple Express is a company beneficially wholly-owned by Mr. Fang Shin. By virtue of the SFO, Mr. Fang Shin is deemed to be interested in the same parcel of Shares in which Triple Express is interested. Mrs. Fang Chang Rose Jean is the spouse of Mr. Fang Shin and is deemed to be interested in the same parcel of Shares in which Mr. Fang Shin is interested by virtue of the SFO.
2. King Right is a company beneficially wholly-owned by Mr. Sung, who is also the sole director of King Right. Ms. Wong Wai King is the spouse of Mr. Sung and is deemed to be interested in the same parcel of Shares in which Mr. Sung is interested by virtue of the SFO.
3. United Sino is a company beneficially wholly-owned by Mr. Cheung, who is also the sole director of United Sino. Ms. Li Xin is the spouse of Mr. Cheung and is deemed to be interested in the same parcel of Shares in which Mr. Cheung is interested by virtue of the SFO.
4. Golden Sunday Limited (“**Golden Sunday**”) is a company beneficially wholly-owned by Mr. Chan. By virtue of the SFO, Mr. Chan is deemed to be interested in the same parcel of Shares in which Golden Sunday is interested. Ms. Ho Fung Ying is the spouse of Mr. Chan and is deemed to be interested in the same parcel of Shares in which Mr. Chan is interested by virtue of the SFO.
5. Top Right Trading Limited (“**Top Right**”) is a company beneficially wholly-owned by Mr. Huang. By virtue of the SFO, Mr. Huang is deemed to be interested in the same parcel of Shares in which Top Right is interested. Ms. Ye Jian Qun is the spouse of Mr. Huang and is deemed to be interested in the same parcel of Shares in which Mr. Huang is interested by virtue of the SFO.

(ii) *Long positions in shares of the subsidiaries of the Company*

Name of subsidiary of the Company	Name of substantial shareholder	Interest in share capital/equity interest	Approximate percentage of shareholding %
Hander International	Cheernew Investments Limited	22 ordinary shares	22%

5. Agency fees or commissions received

[Save as disclosed in this document, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries within the two years immediately preceding the date of this document.]

6. Related party transactions

Save as disclosed in note 29 under the heading “Related party transactions” in the section headed “Notes to the combined financial statements” of the accountants’ report set out in Appendix [I] to this document and the sub-section headed “Transactions with Shenzhen Jing Chu” under the section headed “Business” in this document, the Group has not entered into any related party transactions within the two years immediately preceding the date of this document.

7. Disclaimers

Save as disclosed in this document:

- (a) none of the Directors and the chief executive of the Company has any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) immediately following completion of [●] and assuming that the options granted under [●] and which may be granted under the Share Option Scheme are not exercised, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests which they are taken or deemed to have taken under such provision of the SFO), or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules, in each case once the Shares are [●];
- (b) the Directors are not aware of any person (other than the Directors or chief executive of the Company) who will, immediately following completion of [●] (without taking into account any Shares which may be taken up under [●]) and assuming that the options granted under [●] and which may be granted under the Share Option Scheme are not exercised, have an interest and/or a short position in the Shares or underlying Shares in respect of equity derivatives or debentures of the Company that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) or who will be expected, directly or indirectly, to be interested in 10% or more of nominal value of any class of share capital carrying right to vote in all circumstances at general meetings of any member of the Group;
- (c) none of the Directors and the experts referred to in the paragraph headed "Qualification and consent of experts" in the section headed "Other information" in this Appendix has any direct or indirect interest in the promotion of the Company, or in any assets which have, within the two years immediately preceding the date of this document, been acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group, other than the disposal of a motor vehicle to the Group by Mr. Cheung at a cash consideration of HK\$600,000 in July 2007;
- (d) none of the Directors and the experts referred to in the paragraph headed "Qualification and consent of experts" in the section headed "Other information" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group taken as a whole;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (e) none of the Directors has any existing or proposed service contracts with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)); and
- (f) none of the Directors, the promoters and the experts referred to in the paragraph headed "Qualification and consent of experts" in the section headed "Other information" in this Appendix has received any agency fee, commissions, discounts, brokerage or other special terms from the Group within the two years immediately preceding the date of this document in connection with the issue or sale of any capital of any member of the Group.

D. [●]

E. SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to enable the Company to grant options to full-time or part-time employees, directors (including executive, non-executive or independent non-executive) and any consultants or advisers (whether professional or otherwise and whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid), distributor, contractor, supplier, service provider, agent, customer and business partner of the Company and/or any of its subsidiaries (the "**Eligible Participants**") as incentives or rewards for their contribution to the growth of the Group and to provide the Group with a more flexible means to reward, remunerate, compensate and/or provide benefits to the Eligible Participants. The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a written resolution of the Shareholders on 29 May 2009 (the "**Adoption Date**").

No options will be granted under the Share Option Scheme unless the grant of such options is in compliance with all the requirements of the Listing Rules.

1. Terms of the Share Option Scheme

(a) *Who may join*

The Board may, at its absolute discretion, offer the Eligible Participants options to subscribe for such number of Shares as the Board may determine at a subscription price determined in accordance with paragraph (b) below, and subject to the other terms of the Share Option Scheme summarised below.

An offer of grant of an option shall remain open for acceptance by the Eligible Participant concerned for such period as determined by the Board, which period shall not be more than fourteen (14) days from the date of the offer, provided that no such offer shall be open for acceptance after the tenth anniversary of the Adoption Date or after the Share Option Scheme has been terminated in accordance with the provisions thereof. Upon acceptance of the offer, the grantee shall pay

APPENDIX V

STATUTORY AND GENERAL INFORMATION

HK\$1.00 to the Company by way of consideration for the grant and the date on which the option is offered shall be deemed to be the date of grant of the relevant option, except in determining the date of grant for the purpose of calculating the subscription price under paragraph (b) where paragraphs (c)(v) and (d)(iii) apply.

(b) *Price of Shares*

[●]

(c) *Maximum number of Shares*

- (i) The maximum aggregate 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 the Company must not exceed 30% of the issued share capital of the Company from time to time. No options may be granted under the Share Option Scheme if this will result in such limit being exceeded.
- (ii) 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 the Company (excluding [●]) must not, in aggregate, exceed 10% of the issued share capital of the Company as at [●] (the “**Scheme Mandate Limit**”) (such 10% being equivalent to [●] Shares based on [●] Shares expected then to be in issue) unless Shareholders’ approval has been obtained pursuant to paragraph (iii) or (iv) below. Any options lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of the Company shall not be counted for the purpose of calculating the Scheme Mandate Limit.
- (iii) The Board may seek approval by Shareholders in general meeting to renew the Scheme Mandate Limit. However, 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 the Company in these circumstances must not exceed 10% of the issued share capital of the Company at the date of approval of the renewed limit (the “**Renewed Scheme Mandate Limit**”).
- (iv) Subject to paragraph (i) above, the Board may seek separate Shareholders’ approval in general meeting to grant options beyond the Scheme Mandate Limit or the Renewed Scheme Mandate Limit (as the case may be) provided that the options in excess of the Scheme Mandate Limit or the Renewed Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought and the Company must issue a circular to its Shareholders containing 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 such Eligible Participants with an explanation as to how the terms of the options serve such purpose, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (v) Unless approved by the Shareholders in the manner set out in this paragraph (v), the total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Participant (including both exercised and outstanding options under the Share Option Scheme) in any 12-month period must not exceed 1% of the issued share capital of the Company. Where any further grant of options to an Eligible Participant would result in the total number of Shares issued and to be issued upon exercise of all options granted and to be granted to such Eligible Participant (including exercised, cancelled and outstanding options under the Share Option Scheme) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the issued share capital of the Company as at the date of such further grant, such further grant must be subject to the separate approval of Shareholders at general meeting with such Eligible Participant and his associates abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the Eligible Participant, the number and the terms of the options previously granted and to be granted and containing the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the subscription price for Shares) of the options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price under paragraph (b) above.

(d) Restrictions on grant of options

- (i) No offer for the grant of an option shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision of the Directors, until such price sensitive information has been announced in accordance with the relevant requirements of the Listing Rules and, in particular, no Eligible Participant shall be granted an option during the period commencing one month immediately preceding the earlier of:
 - (1) 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 the annual results, the interim results or the quarterly or any other interim period results of the Company (whether or not required under the Listing Rules); and

- (2) the deadline for the Company to publish announcement of its annual results, interim results or quarterly results under the Listing Rules or any other interim period results (whether or not required under the Listing Rules),

and ending on the date of announcement for such results. For the avoidance of doubt, the period during which no options shall be granted mentioned above shall include any period of delay in the publications of a results announcement.

- (ii) Any grant of options to a connected person of the Company or any of its associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the options).
- (iii) Where options are proposed to be granted to a substantial Shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options would result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total issued share capital of the Company on the date of offer and having an aggregate value, based on the closing price of the Shares on the date of each grant, in excess of HK\$5 million, such further grant of options must be subject to the approval of the Shareholders taken on a poll in general meeting. In addition, the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price under paragraph (b) above. The connected person involved in such proposed grant and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the Shareholders' circular). A Shareholders' circular must be prepared and sent by the Company containing (1) details of the number and terms (including the subscription price) of the options to be granted to each participant, which must be fixed before the Shareholders' meeting; (2) a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the grantee of the options) to the independent Shareholders as to voting; (3) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and (4) the information required under Rule 2.17 of the Listing Rules.

(e) Time of and restrictions on exercise of options

An option may be exercised in whole or in part in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee, the expiry date of such period not to exceed 10 years from the date of grant of the option.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

There is no general requirement on the minimum period for which an option must be held or the performance targets which must be achieved before an option can be exercised under the terms of the Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions in relation to the minimum period of the options to be held and/or the performance targets to be achieved before such options can be exercised as the Board may determine in its absolute discretion.

(f) Assignment

Options granted under the Share Option Scheme shall be personal to the grantee, which shall not sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option or attempt so to do. Any breach of the foregoing by the grantee shall entitle the Company to cancel any option granted to such grantee (to the extent not already exercised).

(g) Rights on death of grantee

If the grantee of an option (being an individual) ceases to be an Eligible Participant by reason of death and none of the events set out in paragraph (i) below which would be a ground for the termination of his employment, directorship, appointment or engagement arises, his personal representative may exercise the option up to the entitlement of the grantee as at the date of death (to the extent which has become exercisable but not already exercised) within a period of twelve (12) months after the date of death (or such longer period as the Board may determine or, if any of the events referred to in paragraphs (k), (l) and (m) below occurs during such period, his personal representative(s) may exercise the option pursuant to paragraphs (k), (l) and (m) below within such period), failing which the option will lapse.

(h) Rights on winding up of, or material changes in, the grantee

If a grantee (being a corporation):

- (i) commences winding up by whatever means, whether voluntarily or not;
or
- (ii) suffers a change in its constitution, management, directors, shareholding or beneficial ownership which in the opinion of the Board is material,

the option (to the extent not already exercised) shall lapse on the date of the commencement of winding up of the grantee or on the date of notification by the Company that the said change in constitution, management, directors, shareholding or beneficial shareholding is material, as the case may be, and not be exercisable unless the Board otherwise determines in which event the option (or such remaining

APPENDIX V

STATUTORY AND GENERAL INFORMATION

part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such occurrence. A resolution of the Board resolving that the grantee's option has lapsed by reason of material change in the constitution, management, directors, shareholding or beneficial ownership as aforesaid shall be final and conclusive.

(i) Rights on dismissal of grantee

If the grantee of an option ceases to be an Eligible Participant by reason of the termination of his employment, directorship, appointment or engagement on any one or more of 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 become insolvent or has made any arrangements or composition with his creditors generally, or has breached or failed to comply with any provisions of the relevant service contract, letter of appointment or other contracts or agreements of the grantee with the Company or the relevant subsidiary for the employment, appointment or engagement, or has been convicted of any criminal offence involving his integrity or honesty or on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the service contract, letter of appointment or other contract or agreement for the employment, appointment or engagement of the grantee with the Company or the relevant subsidiary of the grantee with the Company or the relevant subsidiary, his option (to the extent not already exercised) will lapse and become not exercisable on the date of termination of his employment, directorship, appointment or engagement. A resolution of the board of directors of the Company or the relevant subsidiary to the effect that the employment, directorship, appointment or engagement of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph (i) shall be conclusive.

(j) Right on cessation of eligibility for other reasons

If the grantee of an option ceases to be an Eligible Participant for any other reason, the grantee may exercise the option up to his entitlement at the date of cessation (to the extent which has become exercisable but not already exercised) within three (3) months following the date of such cessation (or such longer period as the Board may determine or, if any of the events referred to in paragraphs (k), (l) and (m) below occurs during such period, he may exercise the option pursuant to paragraphs (k), (l) and (m) below within such period), failing which the option will lapse. The date of cessation as aforesaid shall be the last working day with the Company or the relevant subsidiary whether salary or compensation is paid in lieu of notice or not, or the last date of office or appointment as director, or the last date of appointment or engagement as consultant or advisor to the Company or the relevant subsidiary, as the case may be, in the event of which, the date of cessation as determined by a resolution of the Board or the board of directors or governing body of the relevant subsidiary shall be conclusive.

(k) Rights on a general offer

If a general (or partial) offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) 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 concert with the offeror), the terms of which have been approved by any relevant regulatory authority and are in accordance with the applicable laws and regulatory requirements and becomes, or is declared unconditional prior to the expiry of the option, the Company shall within seven (7) days of such offer becoming or being declared unconditional give notice thereof to the grantee, whereupon the grantee (or his personal representatives) shall be entitled to exercise the option in full or in part (to the extent which has become exercisable but not already exercised) at any time within fourteen (14) days after the date of such notice and, to the extent any of the options have not been so exercised, such option shall upon the expiry of such period lapse.

(l) Rights on winding up

In the event that a notice is given by the Company to its Shareholders to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall on the same date as it despatches such notice of the proposed general meeting to each Shareholder give notice thereof to the grantee (or his personal representative), who may, by notice in writing to the Company (such notice to be received by the Company not later than five (5) business days prior to the proposed general meeting) accompanied by a remittance/payment for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, exercise the option (to the extent which has become exercisable but not already exercised) either to its full extent or to the extent specified in such notice and the Company shall, as soon as possible and in any event no later than the business day immediately prior to the date of the proposed general meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise, credited as fully paid up and register the grantee as holder thereof. Any options shall, to the extent they have not been so exercised, lapse and determine.

(m) Rights on compromise or arrangement

If, pursuant to the Companies Act or other applicable law, a compromise or scheme of arrangement between the Company and its members and/or creditors is proposed for the purpose of or in connection with the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all grantees (or to their personal representatives) on the same day as it gives notice to the members or creditors of the Company summoning a meeting to consider such compromise or scheme of arrangement. Upon receipt of the notice, the grantee may, during the period commencing on the date of the notice and ending on the earlier of:

- (i) the date two calendar months thereafter; and
- (ii) the date on which such compromise or arrangement is sanctioned by the court,

exercise his option (to the extent which has become exercisable but not already exercised), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. The Company may require the grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of the options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been so exercised, lapse and determine. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court) the rights of the grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of its officers for any loss or damage sustained by any grantee as a result of the aforesaid suspension.

(n) Effects of alterations to share capital

In the event of any capitalisation of profits or reserves, rights issue or other similar offer of securities to holders of Shares, consolidation, subdivision, or reduction of the share capital of the Company in accordance with legal requirements and the requirements of the Stock Exchange (other than an issue of Shares as consideration in respect of a transaction to which the Company and/or any of its subsidiaries is a party), the number or nominal amount of Shares subject to the option granted pursuant to the Share Option Scheme so far as unexercised and/or the subscription price or any combination thereof, shall be adjusted in such manner as

the auditors for the time being of the Company or an independent financial adviser to be appointed by the Company for such purpose shall certify in writing to the Board to be in their opinion fair and reasonable provided always that:

- (i) no such adjustments shall be made the effect of which would be to enable any Share to be issued at less than its nominal value;
- (ii) such adjustments shall be made on the basis that the grantee shall have as nearly as possible the same proportion of the issued share capital of the Company to which the grantee was entitled before such adjustments,

and in each case, any adjustment must be made in compliance with the Listing Rules (including Chapter 17 thereof), the supplemental guidance issued on 5 September 2005 and any future guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time. In addition, in respect of any such adjustments, other than any adjustment made on a capitalisation issue, the auditors for the time being of the Company or an independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules or the relevant guidance or interpretation thereof.

(o) Ranking of Shares

The Shares to be issued and allotted upon the exercise of options granted under the Share Option Scheme will be subject to all the provisions of the Bye-Laws for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which Shares are allotted to the grantee (or his personal representative(s)) (the "**Allotment Date**") and accordingly will entitle the holders to participate in all dividends or other distributions declared, paid or made on or after the Allotment Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the Allotment Date.

Unless the context otherwise requires, references to "**Shares**" in the Share Option Scheme include references to shares in the share capital of the Company of any such nominal amount as shall result from a sub-division or a consolidation, reclassification or reconstruction of the share capital of the Company from time to time forming part of the ordinary equity share capital.

(p) Lapse of option

The right to exercise an option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (i) the expiry of the period referred to in paragraph (e) above;
- (ii) the expiry of the periods referred to paragraphs (g), (h), (j), (k), (l) and (m) above;

- (iii) subject to paragraph (l) above, the date of the commencement of the winding-up of the Company;
- (iv) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his employment, directorship, appointment or engagement referred to in paragraph (i) above; or
- (v) the date on which the grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any third party over or in relation to any option or attempts so to do in breach of the Share Option Scheme.

(q) Period of the Share Option Scheme

Subject to the fulfilment of the conditions of the Share Option Scheme and the earlier termination by Shareholders' resolution in general meeting or the Board, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the Adoption Date, after which period no further Options will be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Share Option Scheme.

(r) Alteration to the Share Option Scheme and the terms of options granted under the Share Option Scheme

All provisions of the Share Option Scheme may, subject to the Listing Rules, be altered from time to time in any respect by a resolution of the Board save that the following alterations shall require the prior sanction of an ordinary resolution of the Company in general meeting (with all grantees, prospective grantees and their associates abstaining from voting and the votes taken by poll):

- (i) any alterations of the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the grantees or the Eligible Participants;
- (ii) any alterations of the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted under the Share Option Scheme (except where the alterations take effect automatically under the existing terms of the Share Option Scheme); and
- (iii) any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme.

No such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the

APPENDIX V

STATUTORY AND GENERAL INFORMATION

consent or sanction of such majority of the grantees as would be required of the Shareholders under the Bye-Laws for the time being for a variation of the rights attached to the Shares. Any amended terms of the Share Option Scheme or options shall still comply with the relevant requirements of Chapter 17 of the Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time).

In respect of any meeting of grantees which may be held for this purpose, all the provisions of the constitutional documents for the time being of the Company as to general meetings of the Company shall mutatis mutandis apply as though the options were a class of shares forming part of the capital of the Company except that:

- (i) not less than seven (7) days' notice of such meeting shall be given;
- (ii) a quorum at any such meeting shall be two (2) grantees present in person or by proxy and holding options entitling them to the issue of one-tenth in nominal value of all Shares which would fall to be issued upon the exercise of all options then outstanding unless there is only one grantee holding all options then outstanding, in which case the quorum shall be one grantee;
- (iii) every grantee present in person or by proxy at any such meeting shall be entitled on a show of hands to one vote, and on a poll, to one vote for each Share to which he would be entitled upon exercise in full of his options then outstanding;
- (iv) any grantee present in person or by proxy may demand a poll; and
- (v) if any such meeting is adjourned for want of a quorum, such adjournment shall be to such date and time, not being less than seven (7) or more than fourteen (14) days thereafter, and to such place as may be appointed by the chairman of the meeting. At any adjourned meeting those grantees who are then present in person or by proxy shall form a quorum and at least seven (7) days' notice of any adjourned meeting shall be given in the same manner as for an original meeting and such notice shall state that those grantees who are then present in person or by proxy shall form a quorum.

Where there is any proposed change to the terms of any options granted to a connected person of the Company who is also a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director or any of their respective associates (except where the change takes effect automatically under the existing terms of the Share Option Scheme), then the proposed change must be subject to the approval of the Shareholders taken on poll at general meeting and to such other requirements of the Listing Rules. The connected person involved in such

proposed change and all other connected persons of the Company must abstain from voting in such general meeting (except that any connected person may vote against the proposed change provided that his intention to do so has been stated in the circular). A Shareholders' circular must be prepared and sent by the Company explaining the proposed change and disclosing the original terms of the options, and containing a recommendation from the independent non-executive Directors (excluding an independent non-executive Director who is the holder of the options which terms are to be changed) on whether or not to vote in favour of the proposed change and containing such other information required under the Listing Rules.

(s) Administration of the Share Option Scheme

The Share Option Scheme shall be administered by the Board.

Options may be granted on such terms and conditions in relation to their vesting, exercise or otherwise as the Board may determine in its absolute discretion, provided that such terms and conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme.

(t) Termination of the Share Option Scheme

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option shall be offered but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects in respect of any options granted prior thereto but not yet exercised at the time of termination. Upon such termination, details of the options granted, including options exercised or outstanding shall be disclosed in the circular to Shareholders seeking approval of the first new scheme to be established after such termination.

(u) Cancellation of options

Subject to paragraph (f) above, any cancellation of options granted but not exercised shall be approved by the Board. Cancelled options may be re-issued after such cancellation has been approved, provided that re-issued options shall only be granted in compliance with the terms of the Share Option Scheme and the requirements of the Listing Rules and provided further that new options may be issued to a grantee in place of his cancelled options only if there are available unissued options (excluding the cancelled options) within the Scheme Mandate Limit or the Renewed Scheme Mandate Limit.

Any reference to the "Board" above shall include a duly authorised committee of the Board.

2. [●]

F. OTHER INFORMATION

1. Tax and other indemnities

[The Founders and their respective investment vehicles (namely King Right, United Sino, Golden Sunday and Top Right) (collectively the “**Indemnifiers**”) have, pursuant to the Deed of Indemnity (the document referred to in paragraph (ix) in the sub-section headed “Summary of material contracts” in this Appendix), given joint and several indemnities in favour of the Company (for itself and as trustee for other members of the Group), in connection with, inter alia:

- (i) estate duty which might be payable by any member of the Group by reason of transfer of property on or before the date on which [●] becomes unconditional (the “**Effective Date**”);
- (ii) any tax liabilities falling on any member of the Group resulting from or by reference to any income, profits or gains, transactions, events, matters or things earned, accrued or received, entered into or occurring on or before the Effective Date;
- (iii) any expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs, charges, liabilities, fines, penalties and tax (collectively, the “**Costs**”) which any member of the Group may incur, suffer or accrue, directly or indirectly, from or on the basis of or in connection with any failure, delay or defects of corporate, regulatory compliance under, or any breach of any provision of, the Companies Ordinance, the Business Registration Ordinance, the Inland Revenue Ordinance or other applicable laws by any member of the Group on or before the Effective Date;
- (iv) any Costs which any member of the Group may incur, suffer or accrue, directly or indirectly, from or on the basis of or in connection with any litigation, arbitration or other proceedings or investigations against any member of the Group arising or accruing in relation to the operation of the Group or any member thereof on or before the Effective Date;
- (v) any Costs which any member of the Group may incur, suffer or accrue, directly or indirectly, from or on the basis of or in connection with:
 - (a) any default, failure or delay in complying with, or any breach of, any law in the PRC by any of Shenzhen Xingli, Shenzhen Xingli Zundian and Dongguan Super Furniture (collectively, the “**PRC Subsidiaries**” and each a “**PRC Subsidiary**”) on or before the Effective Date;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (b) any default, failure or delay of any PRC Subsidiary in setting up, or making contributions towards all kinds of insurances, funds, contributions or otherwise required to be insured or made by such PRC Subsidiary under the laws in the PRC for the benefits of their respective employees, or any part thereof on or before the Effective Date;
- (c) any default, failure or delay in registering, or any non-registration of, any tenancy agreement or arrangement entered into, or purported to be entered into, by any PRC Subsidiary as lessee on or before the Effective Date in respect of any leased property located in the PRC;
- (d) any termination or invalidity of any tenancy agreement or arrangement entered into, or purported to be entered into, by any PRC Subsidiary as lessee on or before the Effective Date in respect of any leased property in the PRC by reason of the lack of power, authority or capacity of the lessor or purported lessor in letting the relevant property to the relevant PRC Subsidiary or in entering into the relevant tenancy agreement or arrangement, including but not limited to any and all Costs in respect of relocation and removal of the relevant PRC Subsidiary to a new premises;
- (e) any default, failure or delay in the construction of the Shenzhen Xingli Zundian Production Base or any non-compliance or breach of any term or condition of the contract for grant of land use rights in Shenzhen (Shen Di He Zi 2007 No. 5057) dated 29 June 2007 including but not limited to the resumption of the relevant land by the PRC government authorities;
- (f) any default, failure or delay in the construction of the Shenzhen Xingli Production Base or any non-compliance or breach of any term or condition of the contract for grant of land use rights in Shenzhen (Shen Di He Zi 2007 No. 5058) dated 29 June 2007, including but not limited to the resumption of the relevant land by the PRC government authorities;
- (g) any use of any intellectual property by any PRC Subsidiary under any licence agreements or arrangements entered into or purported to be entered into, between such PRC Subsidiary and Sharp Motion on or before the Effective Date; and
- (h) any claim against any member of the Group in respect of any of the foregoing.

The Indemnifiers will, however, not be liable under the Deed of Indemnity under the following circumstances:

- (i) In respect of any taxation and taxation claims to the extent that:
 - (a) provision or reserve has been made for such taxation in the audited consolidated accounts of the Group as set out in Appendix I to this document;
 - (b) such taxation or liability falling on any member of the Group in respect of its accounting period commencing after 31 December 2008 and ending on the Effective Date, unless such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily effected by, any member of the Group with the prior written consent or agreement or acquiescence of the Indemnifiers other than any of the following (in which case the limitation of liability shall still apply):
 - (1) any such act, omission or transaction carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after 31 December 2008; and
 - (2) any such act, omission or transaction carried out, effected or entered into pursuant to a legally binding commitment created on or before 31 December 2008;
 - (c) such tax claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or interpretation or practice coming into force after the Effective Date or to the extent that such claim arises or is increased by an increase in tax rates after such date with retrospective effect; or
 - (d) any provision or reserve made for taxation in the audited consolidated accounts of the Group as set out in Appendix I to this document which is finally established to be an excessive reserve or over provision, then the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such over-provision or excessive reserve, provided that the amount of any such over-provision or excessive reserve applied pursuant to this paragraph to reduce the Indemnifiers' liability in respect of such taxation shall not be available in respect of any liability arising thereafter in which event the Indemnifiers shall be obliged to indemnify each member of the Group against any liability, loss or damage arising from such liability.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (ii) In respect of the indemnity contained in paragraphs (iii) to (v) above to the extent that:
 - (a) provision or reserve has been made for such liabilities in the audited consolidated accounts of the Group as set out in Appendix I to this document; or
 - (b) any Costs falling within paragraphs (iii) to (v) above arises or is incurred as a consequence of any retrospective change in the applicable law or the interpretation or practice thereof by the relevant authority coming into force after the Effective Date or to the extent that the same arises or is increased by reason of such retrospective changes.]

2. Litigation

As at the Latest Practicable Date, [no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.]

3. [●]

4. [●]

5. [●]

6. [●]

7. Promoter

The promoters of the Company are the Founders. Save as disclosed in this document, no cash, securities or other benefits has been paid, allotted or given within the two years immediately preceding the date of this document, or is intended to be paid or given, to the promoters in connection with [●] or the related transactions described in this document.

APPENDIX V

STATUTORY AND GENERAL INFORMATION

8. Qualification and consent of experts

The following are the qualifications of the experts who have given opinions or advice which are contained in, or referred to in, this document:

Expert	Qualification
Moore Stephens Certified Public Accountants	Certified Public Accountants
Greater China Appraisal Limited	Independent property valuers
Sit, Fung, Kwong & Shum	Legal advisers as to Hong Kong laws
Zhong Xin Law Firm Shanghai Branch	Legal advisers as to PRC laws
Conyers Dill & Pearman	Bermuda barristers and attorneys
Studio Torta, Jorio, Prato, Boggio & Partners	Legal advisers as to Italian laws

[•]

9. Binding effect

[•]

10. No material adverse change

[The Directors confirmed there had been no material adverse change in the financial or trading position or prospects of the Group since [31 December 2008], being the date to which the latest audited financial statements of the Company were made up.]

11. Miscellaneous

- (a) [Save as disclosed in this document,
- (i) within the two years immediately preceding the date of this document, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (iii) no founders, management or deferred shares of the Company or any of its subsidiaries have been issued or agreed to be issued.]

- (b) [None of Moore Stephens, Greater China Appraisal Limited, Sit, Fung, Kwong & Shum, Zhong Xin Law Firm Shanghai Branch, Conyers Dill & Pearman and Studio Torta, Jorio, Prato, Boggio & Partners:
 - (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group [save in connection with [●]].]

- (c) [No member of the Group is presently listed on any stock exchange or traded on any trading system.]

- (d) The English text of this document shall prevail over the Chinese text.

[12. Bilingual document

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