

A. FURTHER INFORMATION ABOUT OUR COMPANY**1. Incorporation**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 12 March 2010. Our Company was registered in Hong Kong under Part XI of the Companies Ordinance as an overseas company on 21 April 2010. Mr. Mak Kwong Yiu has been appointed as the authorised representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. Our principal place of business in Hong Kong is located at 34th Floor, One Island East, 18 Westlands Road, Island East, Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to the Companies Law and its constitution which comprises the Memorandum of Association and the Articles of Association. A summary of various parts of the constitution and relevant aspects of the Cayman Islands company law is set out in Appendix IV to this prospectus.

2. Changes in share capital of our Company

- (a) As at the date of incorporation, the authorised share capital of our Company was HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.10 each. On 12 March 2010, one Share was allotted and issued nil-paid to Codan Trust Company (Cayman) Limited as initial subscriber and such one nil-paid Share held by Codan Trust Company (Cayman) Limited was transferred to CFG on the same date.
- (b) On 21 June 2010, in consideration of the acquisition by our Company of the entire issued share capital of Convoy (BVI) Limited, a total of 299,999,999 new Shares were allotted and issued to CFG, all credited as fully paid, and the one nil-paid Share held by CFG was credited as fully paid at par.
- (c) Save as disclosed herein and under the paragraph headed “Written resolutions of the sole Shareholder of our Company passed on 23 June 2010” below, there has been no alteration in the share capital of our Company since its incorporation.

3. Written resolutions of the sole Shareholder of our Company passed on 23 June 2010

On 23 June 2010, written resolutions of the sole Shareholder of our Company were passed, pursuant to which, inter alia:

- (a) our Company approved and adopted the Articles of Association;
- (b) conditional on the fulfillment of the same conditions as stated under the paragraph headed “Conditions of the Share Offer” in the section headed “Structure and conditions of the Share Offer”:
 - (i) the Share Offer was approved and our Directors were authorised to allot and issue the new Shares pursuant thereto;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the section headed “Share Option Scheme” of this Appendix, were approved and adopted and our Directors were authorised, among others, to grant options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of subscription rights under any options granted under the Share Option Scheme and to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Option Scheme;

- (iii) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (including the power to make or grant offers or agreements and options which would or might require Shares to be allotted and issued), otherwise than by way of Rights Issue (as defined below) or an issue of Shares upon the exercise of any subscription or conversion rights attached to any warrants of our Company or the exercise of options which may be granted under the Share Option Scheme or any other option scheme(s) or similar arrangement for the time being adopted for the grant or issue to directors and/or officers and/or employees of our Group or rights to acquire Shares or pursuant to any scrip dividend schemes in accordance with the Articles of Association or pursuant to the issue of Shares or pursuant to a specific authority granted by the Shareholders in general meeting, the Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Share Offer, such mandate to remain in effect until whichever is the earliest of:
- (a) the conclusion of the next annual general meeting of our Company;
 - (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held; or
 - (c) the date on which such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting of our Company.

For the purpose of this paragraph, “Rights Issue” means an offer of shares or issue of options, warrants or other securities giving the right to subscribe for Shares open for a period fixed by our Directors to the holders of Shares (and, where appropriate, to holders of other securities of our Company entitled to the offer) on the register on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate such other securities) as at that date (subject to such exclusions or other arrangements as our Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to our Company);

- (iv) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange, or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Share Offer, such mandate to remain in effect until whichever is the earliest of:
- (a) the conclusion of the next annual general meeting of our Company;
 - (b) the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws to be held; or
 - (c) the date on which such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting of our Company.

- (v) the extension of the general mandate to allot, issue and deal with Shares as mentioned in paragraph (iii) above by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to paragraph (iv) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the Share Offer.

4. Corporate Reorganisation

The companies comprising our Group underwent a reorganisation in preparation for the listing of the Shares on the Stock Exchange. Following the Reorganisation, Convoy (BVI) Limited became the intermediate holding company of our Group and our Company became the ultimate holding company of our Group. The Reorganisation involved the following:

- (a) On 31 March 2010, one share of CFS, which was held in trust by Mr. Chan Chi Keung in favour of CFG, was transferred to CFG in accordance with the declaration of trust dated 28 January 2003 and executed by Mr. Chan Chi Keung in favour of CFG. CFG then became the sole shareholder of CFS.
- (b) On 9 March 2010, Convoy (BVI) Limited was incorporated under the laws of the BVI with limited liability. The authorised share capital of Convoy (BVI) Limited upon incorporation was HK\$50,000 divided into 50,000 shares of HK\$1.00 each. 1 share in Convoy (BVI) Limited was allotted and issued to CFG at par.
- (c) On 12 March 2010, our Company was incorporated under the laws of the Cayman Islands as an exempted company with an authorised share capital of HK\$100,000,000 divided into 1,000,000,000 shares of HK\$0.10 each. One Share was allotted and issued nil-paid to Codan Trust Company (Cayman) Limited as initial subscriber. On the same date, such one nil-paid Share held by Codan Trust Company (Cayman) Limited was transferred to CFG.
- (d) On 21 June 2010, Convoy (BVI) Limited acquired the entire issued share capital of CFS from CFG. The consideration for such acquisition was satisfied by the allotment and issue of 9,999 new shares in Convoy (BVI) Limited, credited as fully paid, to CFG. Accordingly, CFS was wholly-owned by Convoy (BVI) Limited, which in turn was wholly-owned by CFG.
- (e) On 21 June 2010, in consideration of the acquisition by our Company of the entire issued share capital of Convoy (BVI) Limited, a total of 299,999,999 new Shares were allotted and issued to CFG, all credited as fully paid, and the one nil-paid Share held by CFG was credited as fully paid at par.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the accountants' report set out in Appendix I to this prospectus. Save as disclosed herein and under the paragraph headed "Corporate Reorganisation" above, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

6. Repurchase by our Company of its own securities

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

(a) Provisions of the Listing Rules

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

(i) Shareholders' approval

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

Pursuant to the written resolutions passed by the sole shareholder of our Company passed on 23 June 2010, a general unconditional mandate (the “**Repurchase Mandate**”) was granted to our Directors authorising the repurchase by our Company of Shares as described above in the section head “Written resolutions of the sole shareholder of our Company passed on 23 June 2010”.

(ii) Source of funds

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

(b) Share Capital

On the basis of 400,000,000 Shares in issue immediately after the completion of the Share Offer without taking into account any Shares which may be issued upon the exercise of the options that may be granted under the Share Option Scheme, our Company would be allowed under the Repurchase Mandate to repurchase a maximum of 40,000,000 Shares (representing not more than 10% of the aggregate nominal amount of the issued share capital of our Company as at the date of granting the Repurchase Mandate).

(c) Reasons for repurchases

Our Directors believe that the Repurchase Mandate is in the best interest of our Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders.

(d) Funding of repurchases

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the Companies Law and any other applicable laws. Such funds legally available for repurchasing Shares include:

- (i) such funds made out of profits of our Company or out of a fresh issue of Shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital; and

- (ii) in the case of any premium payable on the repurchase, such funds made out of the profits of our Company or from sums standing the credit of the share premium account of our Company or, subject to the Companies Law, out of capital.

There might be a material adverse impact on the working capital or gearing position of our Company as compared with the position disclosed in this prospectus in the event that the power to repurchase Shares pursuant to the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

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

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any Shares to our Company under the Repurchase Mandate if it is approved by the Shareholders.

No other connected persons (as defined in the Listing Rules) have notified our Company that they have a present intention to sell Shares to our Company or our subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

If, as a result of a securities repurchase, a shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholders or a group of shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Save as aforesaid, our Directors are not presently aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate immediately after the Listing.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares held by the public being reduced to less than 25% of the total number of Shares then in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

B. FURTHER INFORMATION ABOUT OUR COMPANY'S BUSINESS

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years immediately preceding the date of this prospectus and are or may be material in relation to the business of our Group taken as a whole:—






- (a) the instrument of transfer together with the relevant bought and sold notes all dated 21 June 2010 and executed by Convoy (BVI) Limited and CFG in relation to the

acquisition by Convoy (BVI) Limited of the entire issued share capital in CFS from CFG at a consideration being satisfied by the allotment and issue of 9,999 new shares in Convoy (BVI) Limited, credited as fully paid, to CFG;

- (b) a deed of reorganisation dated 21 June 2010 made between, among others, CFG and our Company relating to the acquisition of the entire issued share capital of Convoy (BVI) Limited referred to in paragraph “Corporate Reorganisation” in this appendix;
- (c) a deed of indemnity dated 22 June 2010 executed by the Controlling Shareholders, in favour of our Group containing indemnities referred to under the paragraph headed “Estate duty, tax and other indemnity” in the section headed “Other information” in this appendix;
- (d) a deed of indemnity dated 22 June 2010 executed by CFG and CAM in favour of our Group containing indemnities referred to under the paragraph headed “Estate duty, tax and other indemnity” in the section headed “Other information” in this appendix;
- (e) the Underwriting Agreement;
- (f) the Cornerstone Investor Agreement, details of which are set out in the section headed “Cornerstone investor” in this prospectus;
- (g) the deed of non-competition undertaking dated 22 June 2010 and executed by each of the Controlling Shareholders in favour of our Company, the particulars of which are set out under the paragraph headed “Non-competition undertaking” in the section headed “Relationship with the Controlling Shareholders and connected transactions” in this prospectus;
- (h) the Trademarks Agreement;
- (i) a lump sum loan agreement dated 3 November 2008 entered into by CFS as lender and Melbourne International Holdings Co., Ltd., Ho Chi Keung, Danny and Wong Chi Hung, Johnny regarding a loan of HK\$2,000,000 (which has been fully repaid to CFS as at the Latest Practicable Date); and
- (j) the Call Option Deed.

2. Intellectual property

- A. As at the Latest Practicable Date, our Group was granted a non-exclusive and non-transferable licence, at nominal consideration, to use the Trademarks owned by CTL pursuant to the Trademarks Agreement, details of the Trademarks are as follows:

<u>Trademarks</u>	<u>Place of registration</u>	<u>Class(es)</u>	<u>Registration date</u>	<u>Trademark number</u>
	Hong Kong	35 and 36	18 August 2003	300064458
	Hong Kong	35 and 36	18 August 2003	300064449
	Hong Kong	35 and 36	18 August 2003	300064467
	Hong Kong	35 and 36	18 August 2003	300064485
	Hong Kong	35 and 36	23 November 2005	300534988

The following services in Hong Kong are covered by the respective classes of trade and service marks:

<u>Class</u>	<u>Specifications</u>
35	consultancy and advisory services in respect of companies and business, provision of business information; provision of commercial information; provision of statistical business information; economic forecasting and analysis; commercial analysis services; marketing research and marketing studies.
36	financial planning services; investment advisory services; independent financial advisory services; corporate financing; corporate financing advisory services; insurance advisory services; insurance brokerage services; Mandatory Provident Fund intermediary advisory services; financial analysis services; provision of provident funds and retirement schemes services; payment services and fund transfer services; brokerage services, investment services, investment advice and management services; provision of financial guarantees; news, information, research, and analysis in the fields of insurance, insurance products, insurance policies, provident funds, retirement schemes, investment, finance, financial planning, and economics relating to finance; research reports and trading strategies in the fields of insurance, insurance products, insurance policies, provident funds, retirement schemes, securities, shares, stocks, bonds, mutual funds, money market funds, commodities, futures, options and indices of the aforesaid; capital, business and property investment agency services; financial lending; financial and financing services; debt financing; provision and financing of loans; money exchange services; management of funds, assets and trusts for others; financial evaluations; fiscal assessment and evaluations; collection of financial data; provision of financial information; portfolio management services and account information; securities and insurance underwriting; news, information, research and analysis in the fields of insurance, insurance products, insurance policies, provident funds, retirement schemes, investment, finance, financial planning, and economics relating to finance provided by means of electronic communication networks; investing of funds, financial services and provision of financial services through electronic communication networks; on line (computer) and automated telephone financial brokerage and ordering services; electronic purchase payment and electronic bill payment services; electronic accounts payable processing services; electronic billing and electronic fund transfer; information and advisory services of all of the aforesaid.

B. As at the Latest Practicable Date, the following domain name was owned by our Group:

<u>Domain name</u>	<u>Date of registration</u>
www.convoy.com.hk	7 April 1999

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF**1. Disclosure of interests**

(a) *Interests and/or short positions of our Directors and chief executives in the share capital of our Company and its associated corporations following the Share Offer*

So far as is known to our Directors, immediately following completion of the Share Offer (taking no account of any Shares which may be issued upon the exercise of the options that may be granted under the Share Option Scheme), the interests or short positions of our Directors in the shares, debentures or underlying shares of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed are as follows:

(i) Directors' interests in the shares of associated corporations:

<u>Name of associated corporation</u>	<u>Name of Director</u>	<u>Capacity</u>	<u>Long/Short position</u>	<u>No. of shares in Convoy Inc held</u>	<u>Approximate percentage of the issued share capital in Convoy Inc</u>
Convoy Inc	Mr. Wong Lee Man	Beneficial owner	Long position	14,074	19.7%
	Ms. Fong Sut Sam	Beneficial owner	Long position	14,034	19.7%
	Mr. Mak Kwong Yiu	Beneficial owner	Long position	3,911	5.4%

(b) *Interests and/or short positions of the substantial shareholders in the Shares which are discloseable under Divisions 2 and 3 of Part XV of the SFO*

So far as is known to the Directors, immediately following completion of the Share Offer (taking no account of any Shares which may be issued upon the exercise of the options that may be granted under the Share Option Scheme), the following, not being a Director or chief executive of our Company, will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

<u>Name of shareholder</u>	<u>Capacity</u>	<u>Long/Short position</u>	<u>Number of Shares held</u>	<u>Approximate percentage of the issued share capital</u>
Convoy Inc ⁽¹⁾	Interests of a controlled corporation	Long position	300,000,000	75%
Perfect Team ⁽¹⁾	Interests of a controlled corporation	Long position	300,000,000	75%
CFG	Beneficial Owner	Long position	300,000,000	75%

Note:

(1) The 300,000,000 Shares are held by CFG which is owned as to approximately 43.8% by Convoy Inc and 56.2% by Perfect Team respectively. As a result of such relationship as described in this paragraph, Convoy Inc and Perfect Team are deemed to be interested in 300,000,000 Shares held by CFG. CFG is beneficially interested in 300,000,000 Shares.

(c) Negative statements regarding interests in securities

None of our Directors or chief executive will immediately following completion of the Share Offer have any disclosure interests (as referred to in (a) above), other than as disclosed at (a) above.

Taking no account of Shares which may be taken up under the Share Offer and Shares which may fall to be issued upon the exercise of options which may be granted under the Share Option Scheme, none of our Directors are aware of any persons who will immediately following completion of the Share Offer have a notifiable interest under the provisions under Divisions 2 and 3 of Part XV of the SFO or who (not being a member of our Group) will immediately following the completion of the Share Offer be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital in any member of our Group carrying rights to vote in all circumstances at general meetings of such member of our Group, other than as disclosed in (b) above.

2. Particulars of Directors' service contracts

Each of the Directors has entered into a service contract with our Company for a term of three years commencing from the Listing Date and to continue thereafter until terminated by a three months' notice in writing served by either party on the other without payment of compensation.

Each of the Directors is entitled to the following respective amount of annual emolument for acting as the director of, committee member of and/or holding other positions with our Company or other members of the Group:

	HK\$
Wong Lee Man	1,186,911
Fong Sut Sam	1,299,111
Mak Kwong Yiu	1,049,801
Fu Kwong Wing Ting, Francine	140,000
Ma Yiu Ho, Peter	120,000
Wu Ka Chee, Davy	120,000

Each of the executive Directors shall also be entitled to a bonus for each financial year of our Company which is at the discretion of the Board and determined by reference to performance of each Director concerned and our Group's performance for the financial year concerned and based on the recommendation from the remuneration committee of our Company.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

Each of the above emoluments is in accordance with the remuneration policy of our Group that it is our Group's remuneration objective to, in consultation with the remuneration committee of our Company, remunerate directors of our Group fairly but not excessively for their efforts, time and contributions made to our Group and the remuneration of directors of our Group would be determined with reference to various factors such as duties and level of responsibilities of each director, the available information in respect of companies of comparable business or scale, the performance of each director and our Group's performance for the financial year concerned and the prevailing market conditions.

3. Remuneration of Directors

- (a) Our Company's policies concerning remuneration of executive Directors are determined with reference to various factors such as the relevant Director's duties, experience, responsibility, workload and the time devoted to our Group, the available information in respect of companies of comparable business or scale, the performance of each director and our Group's performance for the financial year concerned and the prevailing market conditions. Non-cash benefits may be provided to our Directors under their remuneration package and the executive Directors may be granted, at the discretion of the Board, options pursuant to our Company's Share Option Scheme, as part of their remuneration package.
- (b) The aggregate amount of fees, salaries, housing allowances, other allowances and benefits in kind paid to our Directors by our Group during the three years ended 31 December 2007, 2008 and 2009 were approximately HK\$5.2 million, HK\$3.8 million and HK\$1.2 million respectively. Further information in respect of our Directors' remuneration is set out in Appendix I to this prospectus.
- (c) Under the arrangement currently in force, the aggregate amount of emoluments payable by our Group to our Directors for the year ending 31 December 2010 will be approximately HK\$3,915,823.

4. Personal guarantees

There are no banking facilities granted by any lenders to our Group and hence our Directors have not provided any personal guarantees in favour of any lenders in connection therewith.

5. Related party transactions

During the two years immediately preceding the date of this prospectus, our Group had engaged in related party transactions as described under the paragraph headed "Connected transactions" in the section headed "Relationship with the Controlling Shareholders and connected transactions" in this prospectus and note 28 to the accountants' report, the text of which is set out in Appendix I to this prospectus.

6. Disclaimers

Save as disclosed in this prospectus:

- (a) taking no account of Shares which may be taken up under the Share Offer and any options to be granted under the Share Option Scheme, our Directors are not aware of any person who will, immediately following completion of the Share Offer, have an interest or short position in Shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (b) none of our Directors or chief executive of our Company has any interests or short positions in the Shares, underlying Shares and debentures of our Company or any of our associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part

XV of the SFO (including interests or short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required, pursuant to the relevant rules of the Listing Rules relating to securities transactions by Directors to be notified to our Company and the Stock Exchange once the Shares are listed;

- (c) save as disclosed under the paragraph headed “Corporate Reorganisation” in the section headed “Further information about our Company” in this Appendix and the accountants’ report set out in Appendix I to this prospectus, none of our Directors or the experts named under the paragraph headed “Qualification of experts” in the section headed “Other information” in this Appendix has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this prospectus, or which are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for Offer Shares either in his own name or in the name of a nominee;
- (d) Save as disclosed under the paragraph headed “Particulars of Directors’ service contracts” in the section headed “Further information about directors, management and staff” in this Appendix, none of our Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of our Group taken as a whole;
- (e) none of the experts named under the paragraph headed “Qualification of experts” in the section headed “Other information” in this Appendix has any shareholding in any company in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in our Group;
- (f) none of our Directors nor any of the experts named under the paragraph headed “Qualification of experts” in the section headed “Other information” in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group; and
- (g) none of our Directors or their associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our Company’s issued share capital) has any interest in any of the five largest Product Issuers of our Group.

D. SHARE OPTION SCHEME

1. Summary of terms

(a) *Who may join*

The Board may at its absolute discretion, offer to grant option to any Employee, Business Associate and the trustee of any trust (whether family, discretionary or otherwise) whose beneficiaries or objects include any Employee or Business Associate of our Group (the **“Participant(s)”** or the **“Grantee(s)”**, as the case may be).

For the purpose of this section, Employee means (i) any full-time employee and director (including executive director, non-executive director and independent non-executive director or

proposed executive director, non-executive director and independent non-executive director) of any member of our Group; and (ii) any part-time employee with weekly working hours of 10 hours or above of our Group; and Business Associate means (a) any adviser, consultant or agent (in the areas of legal, technical, financial or corporate managerial) to our Group; (b) any provider of goods and/or services to our Group; or (c) any other person who, at the sole discretion of the Board, has contributed or may contribute to our Group (the assessment criterion of which are (i) such person's contribution to the development and performance of our Group; (ii) the quality of work performed by such person for our Group; (iii) the initiative and commitment of such person in performing his or her duties; and (iv) the length of service or contribution of such person to our Group).

(b) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to encourage the Participants to perform their best in achieving the goals of our Group and at the same time allow the Participants to enjoy the results of our Company attained through their efforts and contributions and to provide the Participants with incentives and help our Company in retaining its existing Employees and recruiting additional Employees.

(c) Price for Shares

The subscription price in respect of any particular option shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant option but in any case the subscription price shall not be less than the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a day on which the Stock Exchange is open for the business of dealing in securities ("Trading Day"); (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 Trading Days immediately preceding the date of grant; or (iii) the nominal value of a Share.

(d) Maximum number of Shares

- (i) The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes must not, in aggregate exceed 40,000,000 Shares, being 10% of the total number of Shares in issue of our Company as at the date of adoption of the Share Option Scheme ("Scheme Mandate") unless shareholders' approval has been obtained pursuant to paragraphs (ii) or (iii) below. For the purpose of calculating the Scheme Mandate, option lapsed in accordance with the terms of the relevant share option scheme shall not be counted.
- (ii) Our Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate. However, the Scheme Mandate so refreshed must not exceed 10% of total number of Shares in issue at the date of approval of the refreshing of the Scheme Mandate; and
- (iii) Our Company may seek separate Shareholders' approval in general meeting to grant options beyond the Scheme Mandate provided that (i) the total number of Shares subject to the Share Option Scheme and any other schemes of our Group does not in aggregate exceed 30% of the total number of Shares in issue and (ii) the options in excess of the Scheme Mandate are granted only to Participants specifically identified

before such approval is sought. A circular will be sent by our Company to Shareholders in accordance with the Listing Rules as and when appropriate.

(e) Option Shares Entitled by Each Grantee

No Participant shall be granted an option if the total number of Shares issued and to be issued upon exercise of the options granted and to be granted (including both exercised and outstanding options) in 12 month period up to and including the date of grant to such Participant would exceed 1 per cent. of the Shares for the time being in issue unless the proposed grant has been approved by the Shareholders in general meeting with the proposed Grantee and his associates (as defined in the Listing Rules) abstaining from voting. A circular must be sent to the Shareholders disclosing the identity of the proposed Grantee, the number and terms of the options granted and to be granted. The number and terms of options to be granted to such proposed Grantee must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant should be taken as the date for the purpose of calculating the subscription price.

(f) Restrictions on grant of options

- (i) No option shall be granted after a price sensitive development or event has occurred or a price sensitive matter has been the subject matter of a decision, until such price sensitive information has been announced pursuant to the relevant requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules; and (ii) the deadline for our Company to publish its announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement; no option shall be granted until information has been announced pursuant to the relevant requirements of the Listing Rules.
- (ii) Any grant of option to a connected person of our Company (as defined in the Listing Rules) must be approved by the independent non-executive Directors.
- (iii) Where options are proposed to be granted to a substantial shareholder (as defined in the Listing Rules) of our Company or an independent non-executive Director or any of their respective associates (as defined in the Listing Rules), and the proposed grant of options, when aggregated will result in 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 grant, representing in aggregate over 0.1% of the Shares in issue; and having an aggregate value, based on the closing price of the Shares at the proposed date of grant of the option, in excess of HK\$5 million, the proposed grant must be subject to the approval of our Shareholders on a poll in general meeting. The connected person (as defined in the Listing Rules) involved and all other connected persons (as defined in the Listing Rules) of our Company must abstain from voting in such general meeting (except where any connected person (as defined in the Listing

Rules) intends to vote against the proposed grant of options). A Shareholder's circular must be prepared by our Company explaining the proposed grant of options, disclosing the number and terms of the options to be granted and containing a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of the option) on whether or not to vote in favour of the proposed grant of options.

(g) Time of exercise of option

An offer of the grant of an option shall be made to a Participant by letter in such form as the Board may from time to time determine requiring the Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the rules of the Share Option Scheme. An offer of the grant of an option may be accepted by the Participant concerned within the date as specified in the offer letter issued by our Company, being a date not later than 21 days commencing from the date upon which the offer is made provided that no such offer shall be open for acceptance after the expiry of ten years after the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated.

An option shall be deemed to have been granted and accepted when the duplicate letter comprising acceptance of the option duly signed by the Grantee together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company. An option may be exercised in accordance with the terms and conditions of the Share Option Scheme at any time during such period as the Board may in its absolute discretion determine, save that such period shall not be more than 10 years from the date of grant of the option and the Board may provide restrictions on the exercise of an option during the period an option may be exercised (the "**Option Period**").

(h) Rights are personal to the Grantee

An option is personal to the Grantee and shall not be assignable and no Grantee shall sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any option.

(i) Rights on dismissal

If the Grantee ceases to be an Employee by reason of the termination of his/her employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) 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 Grantee's service contract with the relevant member of the Group before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable.

(j) Rights on death

In the case where the Grantee is an Employee or a Business Associate (in each case, being an individual) dies before exercising the option in full and none of the events specified in

clauses 28.4 and 28.5 of the Share Option Scheme arises prior to his or her death, the legal personal representative(s) of the Grantee shall be entitled within a period of 12 months from the date of death to exercise the option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised), failing which the option shall lapse.

In the case where the Grantee is a trustee and where the relevant beneficiary of the trust is an Employee or a Business Associate, and such Employee or Business Associate (in each case, being an individual) dies and none of the events specified in clauses 28.4 and 28.5 of the Share Option Scheme arises prior to his or her death, the Grantee shall be entitled within a period of 12 months from the date of death to exercise the option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised), failing which the option shall lapse.

(k) Rights on ceasing employment

- (i) In the event of the Grantee, being an Employee at the date of grant, ceasing to be an Employee for any reason other than his death or the termination of his employment on one or more of the grounds specified in the clause 28.4 of the Share Option Scheme, the Grantee may exercise the option up to his entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the relevant member of our Group whether salary is paid in lieu of notice or not or the last date of appointment as director of the relevant member of our Group (as the case may be) (provided that the retirement of any director of our Group pursuant to the bye-laws or articles of association (as the case may be) of the relevant member of our Group at an annual general meeting of such member who is re- elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph), failing which the option shall lapse.
- (ii) In the case where
 - (1) the Grantee is a Business Associate to our Group under a fixed term contract, if the Grantee ceases to be a Business Associate by reason of termination or expiry of the term of relevant fixed term contract without an extension or renewal by our Group for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in clause 28.5 of the Share Option Scheme, the Grantee may exercise the option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the date of expiry of the relevant fixed term contract, failing which the option shall lapse.
 - (2) the Grantee is a Business Associate to our Group not under a fixed term contract, if the Grantee ceases to be a Business Associate by reason of the Grantee ceasing to provide any further services or goods to our Group as may be determined by the Board and notified to such Business Associate in writing for any reason other than (i) his or her death if the Business Associate is a natural person; or (ii) on one or more of the grounds specified in clause 28.5 of the

Share Option Scheme, the Grantee may exercise the option up to his or her or its entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the date of the aforesaid written notification to such Business Associate, failing which the option shall lapse.

(iii) In the case where the Grantee is a trustee and where

- (1) the relevant beneficiary of the trust is an Employee, and such Employee ceases to be an Employee for any reason other than his death or the termination of his employment on one or more of the grounds specified in clause 28.4 of the Share Option Scheme, the Grantee may exercise the option up to his or her or its entitlement at the date of such cessation (to the extent which has become exercisable and not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the relevant Group Member whether salary is paid in lieu of notice or not or the last date of appointment as director of the relevant member of the Group (as the case may be) (provided that the retirement of any Director of our Group pursuant to the bye-laws or articles of association (as the case may be) of the relevant member of the Group at an annual general meeting of such member who is re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph), failing which the option shall lapse.
- (2) the relevant beneficiary of the trust is a Business Associate to our Group, and such Business Associate ceases to be a Business Associate in the manner as referred to in the clause 25.3 of the Share Option Scheme, the Grantee may exercise the option in accordance with the clause 25.3 of the Share Option Scheme, failing which the option shall lapse.

(l) Rights on a general offer

If a general offer (whether by takeover offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares and such offer becomes or is declared unconditional prior to the expiry of the option, the Grantee (or, as the case may be, his legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 14 days after the date on which the offer becomes or is declared unconditional even though the Option Period has not come into effect during the occurrence of the general offer.

(m) Rights on winding up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all Grantee and thereupon, each Grantee (to his or her legal personal representatives) shall be entitled to exercise all or any of his/her options (to the extent not already exercised) at any time not later than seven (7) Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate

subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(n) Rights on compromise or arrangement

If an application is made to the court in connection with a proposed compromise or arrangement between our Company and its creditors (or any class of them) or between our Company and its members (or any class of them), the Grantee may by notice in writing to our Company within 21 days after the date of such application, exercise the option in full (to the extent which has become exercisable and not already exercised) or to the extent specified in such notice.

(o) Ranking of Shares

- (i) Shares allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of the allotment (the “**Exercise Date**”) and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.
- (ii) Unless the context otherwise requires, references to “Shares” in this section D means shares of HK\$0.10 each (or of such other nominal amount as shall result from a sub-division, consolidation, re-classification or re-construction of such shares from time to time) of our Company.

(p) Period of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of 10 years commencing from the date on which the Share Option Scheme becomes unconditional, after which period no further options will be granted but the provision of the Share Option Scheme shall remain in full force and effect in all other aspects.

Our Company may by resolution in general meeting or the Board at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but the provisions of the Share Option Scheme in relation to any outstanding options shall remain in full force and effect in all other aspects and options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Share Option Scheme.

(q) Effect of alterations to capital

In the event of any alterations in the capital structure of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party) pursuant to a capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital or otherwise howsoever in accordance with the legal requirements and the requirements of the Listing Rules and the Stock Exchange whilst any option remains exercisable, such

corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised and/or the subscription price provided that any adjustment shall be made on the basis that the proportion of the issued share capital of our Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment and that no such adjustment shall be made the effect of which would be to enable any Share to be issued at less than its nominal value and in case of any adjustments other than any made on a capitalisation issue, a written confirmation from an independent financial adviser or the auditors of our Company is required to confirm that the adjustment(s) satisfy the relevant requirements under the Listing Rules.

(r) Cancellation of options granted

Any cancellation of options granted but not exercised must be approved by the Board provided that where our Company cancels any options granted but not exercised in accordance with clause 35 of the Share Option Scheme and issues any new option to the same Participant, the issue of such new options can only be made with available unissued options (excluding the cancelled options) within the limit as referred in paragraph 1(d) above.

(s) An option shall lapse automatically (to the extent not already exercised) on the earliest of:-

- (i) the expiry of the period the Option Period;
- (ii) the expiry of any of the periods referred to in clauses 25.1, 25.2, 25.3, 25.4, 25.5, 25.6 or 25.7 of the Share Option Scheme (that is paragraphs (k), (l) and (m) above);
- (iii) subject to clause 25.7 of the Share Option Scheme, the date of the commencement of the winding-up of our Company;
- (iv) in the case the Grantee is an Employee at the date of grant, the date on which the Grantee ceases to be an Employee by reason of the termination of his/her employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) 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 Grantee's service contract with the relevant Group Member;
- (v) in the case the Grantee is a Business Associate to our Group at the date of grant, the date on which the Grantee ceases to be a Business Associate to our Group by reason of breach of contract on the part of the Business Associate or on any one or more of the grounds that he or she or it appears to be unable to pay or have no reasonable prospect to be able to pay debts, or has become insolvent, or has made any arrangements or composition with his or her or its creditors generally, or ceases or threaten to cease to carry on his/her/its business, or is wound up, or has an administrator or liquidator being appointed for the whole or any part of his/her/its undertakings or assets, or has been convicted of any criminal offence involving integrity or honesty;

- (vi) where the Grantee is a trustee and where the relevant beneficiary of the trust is an Employee or a Business Associate, the date on which the Grantee ceases to be an Employee or a Business Associate (as the case may be) by the reason(s) or ground(s) specified in clause 28.4 or clause 28.5 of the Share Option Scheme (that is paragraphs(s)(iv) and (v) above) (as the case may be);
- (vii) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in the clause 25.8 of the Share Option Scheme (that is the paragraph (n) above); and
- (viii) the date on which the option is cancelled by the Board as provided in clause 23 of the Share Option Scheme.

(t) Performance Target

Unless otherwise determined by the Board, there is no performance target that must be achieved before the options can be exercised and there is no minimum period for which an option must be held before it can be exercised.

(u) Others

- (i) Subject to the Listing Rules, the Share Option Scheme may be altered from time to time in any respect by a resolution of our Directors except that the following alterations shall require the prior sanction of an ordinary resolution of the shareholders of our Company in general meeting:
 - (aa) matters set out in Rule 17.03 of the Listing Rules to the advantage of the Participants;
 - (bb) any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme;
 - (cc) the terms and conditions of the Share Option Scheme which are of a material nature; or
 - (dd) any change to the terms of options granted (except where such alterations take effect automatically under the existing terms of the Share Option Scheme).
- (ii) The amended terms of the Share Option Scheme or the options must comply with the relevant requirements of the Listing Rules.

2. Present status of the Share Option Scheme

(i) Approval and adoption of the rules of the Share Option Scheme

The rules of the Share Option Scheme were approved and adopted by the sole Shareholder of our Company on 23 June 2010.

(ii) Approval of the Listing Committee required

The Share Option Scheme is conditional, among others, on the Listing Committee of the Stock Exchange granting approval of listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(iii) Application for approval

Application has been made to the Listing Committee of the Stock Exchange for the approval of listing of and permission to deal in the Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme. The total number of new Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of our Company shall not exceed 40,000,000 Shares, representing 10% of the total number of Shares in issue as at the date of the Listing unless our Company obtains a fresh approval from our Shareholders to renew the said 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company will not be counted for the purpose of calculating the 10% limit above mentioned.

(iv) Grant of option

As at the date of this prospectus, no option have been granted or agreed to be granted under the Share Option Scheme.

(v) Value of options

Our Directors consider that it is inappropriate to state the value of options that can be granted under the Share Option Scheme as if they had been granted on the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including the exercise price, the exercise period, interest rate, expected volatility and other variables. As no option have been granted, certain variables are not available for calculating the value of options. Accordingly, any valuation of the options based on various speculative assumptions would not be meaningful but would be misleading to the Shareholders and investors.

E. OTHER INFORMATION

1. Estate duty, tax and other indemnity

(a) Estate duty and tax indemnities

Each of Mr. Wong, Ms. Fong, Mr. Chan Chi Keung, Mr. Lee Kwok Yin Denthur, Mr. Chan Tsz Kin Ernest, Mr. Mak, Mr. Ng Ka Wai Eric, Mr. Sin Kin Chung and Mr. Shin Kin Man (collectively the “**Indemnifiers**”) has entered into a deed of indemnity with and in favour of our Company (for ourselves and as trustee for each of our present subsidiaries) (being the material contract (c) referred to under the paragraph headed “Summary of material contracts” in the section headed “Further information about our Company’s business” in this Appendix) to provide indemnities on a joint and several basis in respect of, among others, any liability for Hong Kong estate duty which might be incurred by any member of our Group and/or our associated companies by reason of any transfer of property (within the meaning of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong)) to any member of our Group on or before the date on which the Share Offer becomes unconditional.

Under the deed of indemnity, the Indemnifiers have also given indemnities to our Group in relation to taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received on or before the date on which the Share Offer becomes unconditional.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the Cayman Islands and BVI.

The deed of indemnity does not cover any claim and the Indemnifiers shall be under no liability under the deed of indemnity in respect of any taxation:

- (i) to the extent that provision, reserve or allowance has been made for such liability, taxation or taxation claim in the audited accounts (the “**Accounts**”) of our Company and our subsidiaries for the three years ended 31 December 2007, 2008 and 2009 and provision, reserve or allowance for which will be made in the audited accounts of our Company and our subsidiaries covering the period from 1 January 2010 to the Listing Date on a basis consistent with that made in the Accounts; or
- (ii) to the extent that such taxation or liability for such taxation falling on any members of our Group in respect of their accounting periods or any accounting period commencing on or after 1 January 2010 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily effected by, our Group or any of its members (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers other than any such act, omission or transaction:
 - (a) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the Listing Date;
 - (b) carried out, made or entered into pursuant to a legally binding commitment created on or before the Listing Date or pursuant to any statement of intention made in this prospectus; or
 - (c) consisting of any of the members of our Group ceasing, or being deemed to cease, to be a member of any group of companies or being associated with any other company for the purposes of any matter of taxation;
- (iii) to the extent that such taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law or the interpretation or practice thereof by the Inland Revenue Department of Hong Kong or any other relevant authority coming into force after the date of the deed of indemnity or to the extent such taxation claim arises or is increased by an increase in rates of taxation after the date of the deed of indemnity with retrospective effect;
- (iv) to the extent of any provisions or reserve made for taxation in the Accounts which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers’ liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to this item (iv) to reduce the Indemnifiers’ liability in respect of taxation shall not be available in respect of any such liability arising thereafter; or
- (v) to any incomes, profits or gains earned, accrued or received by any member of our Group or any event occurred after the Listing Date.

(b) Other indemnities

Under the said deed of indemnity, the Indemnifiers have also undertaken to indemnify, on a joint and several basis, our Group against any costs, expenses, claims, liabilities, penalties, losses and

damages (including, but not limited to, any relocation or destruction cost) incurred or suffered by our Company or any member of our Group arising from or in connection with any failure of our Company, any members of our Group or any parties from whom our Company or any member of our Group purchased, leased or obtained licence or permit to use any property interests owned, leased, licensed or otherwise used or occupied by our Company or any member of our Group (the “**Relevant Property**”), to obtain any property ownership certificate, certificate of title, approval, permit, consent or registration in respect of the Relevant Property.

(c) Indemnities given by CFG and CAM

CFG and CAM have entered into a deed of indemnity with and in favour of our Company (for ourselves and as trustee for each of our present subsidiaries) (being the material contract (d) referred to under the paragraph headed “Summary of material contracts” in the section headed “Further information about our Company’s business” in this Appendix) to provide indemnities on a joint and several basis that they will indemnify and at all times keep all and each of the members of our Group fully indemnified on demand against all losses, costs (including all legal costs), expenses, penalties or other liabilities which any of the members of our Group may incur in connection with or sustain from any complaints, claims or proceedings lodged by any persons in relation to the business undertaken or carried on by CFG and/or CAM.

2. Litigation

Save as disclosed in this prospectus, neither our Company nor any of our subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened by or against our Company or any of our subsidiaries.

3. Sponsor

The Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein and the Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

4. Compliance adviser

In accordance with the requirements of the Listing Rules, our Company has entered into a compliance adviser’s agreement with Quam Capital to appoint Quam Capital as our compliance adviser to provide advisory services to us to ensure compliance with the Listing Rules for a period commencing on the Listing Date and up to and including the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the despatch of our annual report for the first full financial year commencing after the Listing Date, or until the agreement is terminated, whichever is earlier.

5. Preliminary expenses

The estimated preliminary expenses relating to the incorporation of our Company are approximately HK\$42,000 and are payable by our Company.

6. Promoter

There are no promoters of our Company. Save as disclosed in this prospectus, within the two years preceding the date of this prospectus, no cash, securities or other benefit has been paid, allotted or given or proposed to be paid, allotted or given to any promoter in connection with the Share Offer or the related transactions described in this prospectus.

7. Qualifications of experts

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

<u>Name</u>	<u>Qualification</u>
Quam Capital	Licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO
Ernst & Young	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Grant Sherman Appraisal Limited	Property valuer

8. Consents of experts

Each of the Sponsor, Ernst & Young, Conyers Dill & Pearman and Grant Sherman Appraisal Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of their letters, reports, valuation certificate and/or opinion and/or references to its name (as the case may be) in the form and context in which they respectively appear.

9. Binding effect

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

10. Bilingual prospectus

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

11. Taxation of holders of Shares

- (a) Dealings in Shares will be subject to Hong Kong stamp duty. Intending holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the Share Offer can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.
- (b) The Shares are Hong Kong property for the purposes of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) and, accordingly, Hong Kong estate duty may be payable in respect thereof on the death of an owner of Shares.

- (c) The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty the current rate of which is HK\$2.00 for every HK\$1,000 (or part thereof) of the consideration or, if higher, the fair value of the Shares being sold or transferred.
- (d) Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from the Cayman Islands stamp duty unless our Company holds an interest in land in the Cayman Islands.

12. Miscellaneous

- (a) Save as disclosed in this prospectus:
 - (i) within two years preceding the date of this prospectus:
 - (aa) no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries and no commission (excluding sub-underwriters' commission) has been paid or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares.
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option; and
 - (iii) there has been no material adverse change in the financial position or prospects of our Group since 31 December 2009 (being the date to which the latest audited combined financial statements of our Group were made up).
- (b) Our Company has no founder shares, management shares or deferred shares.
- (c) The register of members of our Company will be maintained in the Cayman Islands by Butterfield Fulcrum Group (Cayman) Limited and a branch register of members of our Company will be maintained in Hong Kong by Tricor Investor Services Limited. Unless our Directors otherwise agree, all transfers and other documents of title of Shares must be lodged for registration with and registered by, our Company's share registrar in Hong Kong and may not be lodged in the Cayman Islands.
- (d) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.
- (e) There has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this prospectus.