

FURTHER INFORMATION ABOUT THE GROUP**1. Incorporation of the Company**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 4 August 2009.

As the Company is incorporated in the Cayman Islands, its operations are subject to the relevant laws and regulations of the Cayman Islands and to its constitution, which comprises the Memorandum of Association and the Articles of Association. A summary of certain parts of its constitution and relevant aspects of the Cayman Islands company law is set out in Appendix IV of this prospectus.

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

The authorised share capital of the Company as at the date of its incorporation (4 August 2009) was US\$50,000.00 divided into 50,000 shares of par value US\$1.00 each. On the same date, one (1) subscriber's share in the Company then held by the initial subscriber, namely, Offshore Incorporations (Cayman) Limited, was transferred to New Charming at the consideration of US\$1 each.

Pursuant to the resolutions of the sole shareholder of the Company passed on 8 April 2010, the denomination of the currency in the authorised share capital of the Company was changed from U.S. dollar to Hong Kong dollar at the rate of HK\$7.80 per US\$1.00 and upon such change of currency denomination becoming effective, each ordinary share of par value HK\$7.80 each was subdivided into 78 ordinary shares of par value HK\$0.10 each. Immediately following the change of currency denomination, the authorised share capital of the Company became HK\$390,000 divided into 3,900,000 ordinary shares of par value HK\$0.10 each.

Pursuant to the resolutions of the sole shareholder of the Company passed on 29 June 2010, every three (3) issued and unissued shares of par value HK\$0.10 each in the then share capital of the Company were consolidated into one (1) ordinary Share of par value HK\$0.30 each. Immediately following such consolidation, the authorised share capital of the Company was increased from HK\$390,000 to HK\$600,000,000 by the creation of 1,998,700,000 new ordinary Shares of par value HK\$0.30 each.

On 29 June 2010, the Company acquired the entire issued share capital of Bright Smart Futures, Bright Smart Securities and Merit Act through Bright Smart Investment from Fortune Crown, Manet Good and Mr. Yip, in consideration of and exchange for which the Company allotted and issued, credited as fully paid, an aggregate of 499,999,974 Shares to New Charming at the directions of the respective vendors.

On 2 July 2010, New Charming transferred to BOCOM International Holdings 50,000,000 Shares, representing 10% shareholding interests in the Company at HK\$11,403,857 pursuant to the Call Option Agreement, principal terms of which are set out in the section headed "History, Reorganisation and Group Structure — Strategic Investments from BOCOM International Holdings" in this prospectus.

Immediately following completion of the Share Offer but not taking into account of any Shares which may be allotted and issued upon the exercise of the Over-allotment Option or pursuant to the exercise of any options which may be granted under the Share Option Scheme, the authorised share

capital of the Company will be HK\$600,000,000 divided into 2,000,000,000 Shares and the issued share capital will be HK\$200,040,000 divided into 666,800,000 Shares, all fully paid or credited as fully paid and 1,333,200,000 Shares will remain unissued. Other than pursuant to the exercise of the Over-allotment Option or the options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of the Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as aforesaid and disclosed in the following sub-section headed “Further information about the Group” of this section, there has been no alteration in the share capital of the Company since its incorporation.

3. Resolutions in writing of all Shareholders passed on 4 August 2010

Pursuant to the resolutions in writing of all Shareholders passed on 4 August 2010:

- (a) the Company approved and adopted the Memorandum of Association and the Articles of Association;
- (b) conditional upon the same conditions to be satisfied and/or waived as stated in the section headed “Structure of the Share Offer — Conditions of the Share Offer” in this prospectus:
 - (i) the Share Offer and the Over-allotment Option were approved and the Directors were authorised to approve the allotment and issue of the Offer Shares pursuant to the Share Offer and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in paragraph headed “Share Option Scheme” of this Appendix, were approved and adopted and the Directors or any such committee thereof were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion, subject to the terms and conditions of the Share Option Scheme to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, expedient or desirable to implement the Share Option Scheme;
 - (iii) a general unconditional mandate was given to the Directors to exercise all powers of the Company to allot, issue and deal with, otherwise than by way of rights issue, or scrip dividend schemes or similar arrangements in accordance with the Articles of Association, or grant of options under the Share Option Scheme, or pursuant to the exercise of any options which have been or may be granted under the Share Option Scheme, or any other share option scheme or similar arrangement for the time being adopted, or any issue of Shares upon exercise of rights of subscription or conversion attaching to warrants of the Company of any securities (if any) which are convertible into Shares, or under the Share Offer or the exercise of the Over-allotment Option, Shares with an aggregate nominal amount of not exceeding the sum of (a) 20% of the aggregate nominal amount of the share capital of the Company in issue immediately

following the completion of the Share Offer (excluding the Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of options that may be granted under the Share Option Scheme); and (b) the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to the authority granted to the Directors as referred to in paragraph (iv) below, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles of Association or any other applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders of the Company revoking or varying the authority given to the Directors, whichever occurs first; and

- (iv) a general unconditional mandate (“**Repurchase Mandate**”) was given to the Directors to exercise all powers of the Company to repurchase Shares on the Stock Exchange and/or on any other stock exchange on which the securities of the Company are listed (and which are recognised by the SFC and the Stock Exchange for this purpose), and which are made in accordance with the Listing Rules, with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue and to be issued immediately following completion of the Share Offer (excluding the Shares which may be issued pursuant to the exercise of the Over-allotment Option or pursuant to the exercise of options that may be granted under the Share Option Scheme), until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the Articles of Association or any other applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors, whichever occurs first; and
- (v) the general unconditional mandate granted to the Directors pursuant to paragraph (iii) above be extended by the aggregate nominal value of share capital of the Company repurchased pursuant to the Repurchase Mandate.

4. Group reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group’s structure in preparation for the Listing. The reorganisation involved the following:

- (a) On 4 August 2009, the Company was incorporated in the Cayman Islands and one (1) ordinary share of US\$1 in the share capital of the Company was acquired by New Charming.
- (b) On 22 October 2009, Bright Smart Investment was incorporated in the BVI with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each. On the same date, 100 ordinary shares of US\$1 each in the share capital of Bright Smart Investment were allotted and issued for cash at par to the Company.
- (c) On 29 June 2010, the Company through its wholly owned subsidiary Bright Smart Investment acquired from (i) Mr. Yip and Fortune Crown 20,000,000 shares of HK\$1 each in the share capital of Bright Smart Futures, (ii) Manet Good 110,000,000 shares of HK\$1 each in the share capital of Bright Smart Securities and (iii) Mr. Yip of 1 share of HK\$1 each in

the share capital of Merit Act, in aggregate, in consideration of and exchange for which the Company allotted and issued, credited as fully paid, an aggregate of 499,999,974 new Shares of HK\$0.30 each in the share capital of the Company to New Charming.

- (d) On 21 January 2010, Glow Dragon was incorporated in Hong Kong with limited liability with an authorised share capital of HK\$10,000 divided into 10,000 shares of par value HK\$1 each, of which 1 share was acquired by Bright Smart Investment on 25 February 2010.
- (e) On 13 January 2010, Huge Dynasty was incorporated in Hong Kong with limited liability with an authorised share capital of HK\$10,000 divided into 10,000 shares of par value HK\$1 each, of which 1 share was acquired by Bright Smart Investment on 22 March 2010.

5. Changes in the share capital of the subsidiaries of the Company

The subsidiaries of the Company are listed in the Accountants' Report, the text of which is set out in Appendix I to this prospectus. In addition to the alterations described in paragraph 4 above, the following changes in the share capital of the Company's subsidiaries took place within two years immediately preceding the date of this prospectus:

(a) *Bright Smart Securities*

On 21 July 2009, the authorised share capital of Bright Smart Securities was increased from HK\$90,000,000 to HK\$110,000,000 by the creation of 20,000,000 shares of HK\$1 each, all of which were allotted and issued for cash at par to Manet Good.

(b) *Bright Smart Investment*

Bright Smart Investment was incorporated in the BVI with limited liability on 22 October 2009 with an authorised share capital of US\$50,000 divided into 50,000 shares of US\$1 each, of which 100 shares were acquired by the Company on 22 October 2009.

(c) *Merit Act*

Merit Act was incorporated in Hong Kong with limited liability on 3 November 2009 with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, of which 1 share was acquired by Mr. Yip on 13 January 2010.

(d) *Glow Dragon*

Glow Dragon was incorporated in Hong Kong with limited liability on 21 January 2010 with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, of which 1 share was acquired by Bright Smart Investment on 25 February 2010.

(e) *Huge Dynasty*

Huge Dynasty was incorporated in Hong Kong with limited liability on 13 January 2010 with an authorised share capital of HK\$10,000 divided into 10,000 shares of HK\$1 each, of which 1 share was acquired by Bright Smart Investment on 22 March 2010.

Save as disclosed herein, there had been no alteration in the share capital of any of the subsidiaries of the Company within two years immediately preceding the date of this prospectus.

6. Repurchase by the Company of its own securities

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

(a) *Sources of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws of the Cayman Islands. A listed company is prohibited from repurchasing 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 Cayman Islands law, any repurchases by the Company may be made out of profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by its Articles of Association and subject to the Companies Law, out of capital and, in case of any premium payable on the repurchase out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by its Articles of Association and subject to the Companies Law, out of capital.

(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 the general authority from the Shareholders to enable the Company to repurchase securities in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share and will only be made if the Directors believe that such repurchases will benefit the Company and its Shareholders.

(c) *Exercise of the Repurchase Mandate*

Assuming that the Over-allotment Option is not exercised, the exercise in full of the Repurchase Mandate, on the basis of 666,800,000 Shares in issue immediately following the Listing, could result in up to 66,680,000 Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

On the basis of the current financial position of the Group as disclosed in this prospectus and taking into account the current working capital position of the Group, the Directors consider that, if the Repurchase Mandate were to be exercised in full, there might be a material adverse impact on the working capital and/or gearing positions of the Group (as compared with the positions disclosed in this prospectus). 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 requirements of the Group or the gearing levels which, in the opinion of the Directors are from time to time appropriate for the Group.

(d) *General*

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

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 Memorandum and Articles and the applicable laws of the Cayman Islands.

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

If, as a result of a repurchase of securities, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert (within the meaning of the Takeovers Code), could obtain or consolidate control of the Company and may 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 consequence which would arise under the Takeovers Code as a consequence of any repurchase made pursuant to the Repurchase Mandate immediately after Listing.

No repurchase of Shares has been made since the incorporation of the Company.

7. Registration under Part XI of the Companies Ordinance

The Company has established its head office and a principal place of business in Hong Kong at 10/F, Wing On House, No. 71 Des Voeux Road Central, Hong Kong, and was registered on 14 June 2010 as a non-Hong Kong company under Part XI of the Companies Ordinance, with Li Wan Mei of Flat C, 6/F, Block 6, Scenic Gardens, Yuen Long, New Territories, Hong Kong as an authorised person of the Company for the acceptance of service of process and notices in Hong Kong. The address for service of process and notices on the Company is the same as the address of the head office and principal place of business in Hong Kong.

FURTHER INFORMATION ABOUT THE BUSINESS OF THE GROUP

8. Summary of material contracts




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

- (a) the Deed of Non-competition;
- (b) the sale and purchase agreement dated 29 June 2010 among the Company, Mr. Yip, Manet Good, Fortune Crown, Merit Act, Bright Smart Futures and Bright Smart Securities in relation to the acquisition of Bright Smart Futures, Bright Smart Securities and Merit Act through Bright Smart Investment, in consideration of and exchange for the Company to issue and allot an aggregate of 499,999,974 Shares to New Charming;
- (c) the deed of indemnity dated 6 August 2010 executed by New Charming and Mr. Yip in favour of the Company for itself and as trustee for its subsidiaries stated therein containing (i) the indemnities in respect of taxation and (ii) certain other indemnities and undertakings as more particularly set out in the sub-section headed “Other information — Estate duty, tax and other indemnities” in this Appendix; and
- (d) the Public Offer Underwriting Agreement.

9. Intellectual property rights of the Group





(a) Trade marks

As at the Latest Practicable Date, the Group was the registered proprietor and beneficial owner of the following trade marks:

Trade marks	Registrant	Place of registration	Registration number	Date of expiry	Class
A 	Bright Smart Securities	Hong Kong	301246239	25 November 2018	36 [†]
B 					
C 					

[†] Insurance; financial affairs; monetary affairs; real estate affairs.

As at the Latest Practicable Date, the Group has applied for registration of the following trade marks:

<u>Trade marks</u>	<u>Applicant</u>	<u>Place of application</u>	<u>Application number</u>	<u>Class</u>	<u>Filing date</u>
Bright Smart	The Company	China	7651271	36 [‡]	27 August 2009
耀才	The Company	China	7651270	36 [‡]	27 August 2009
Bright Smart Securities	The Company	China	7651269	36 [‡]	27 August 2009
耀才証券	The Company	China	7651268	36 [‡]	27 August 2009
Bright Smart Group	The Company	China	7651267	36 [‡]	27 August 2009
耀才集团	The Company	China	7651266	36 [‡]	27 August 2009
Bright Smart Securities & Commodities Group Limited	The Company	China	7651265	36 [‡]	27 August 2009
耀才証券金融集团有限公司	The Company	China	7651264	36 [‡]	27 August 2009
	The Company	China	7651263	36 [‡]	27 August 2009
A 	Bright Smart Securities	Hong Kong	301623014	36 [†]	26 May 2010
B 					
C 					

‡ 資本投資；基金投資；貨幣兌換；金融貸款；金融管理；金融諮詢；證券和公債經紀；證券交易行情；期貨經紀；經紀；金融服務/Capital investment; fund investment; foreign currency exchange; financial loans; financial management; financial consultancy; securities and bonds brokerage; stock exchange quotations; futures brokerage; brokerage; financial services.

† Insurance; financial affairs; monetary affairs; real estate affairs.

(b) *Domain Names*

As at the Latest Practicable Date, the Group had registered the following domain names:

<u>Registration date</u>	<u>Expiry date</u>	<u>Domain name</u>
13 May 2009	15 April 2012	bsgbsg.com.hk
12 May 2009	12 May 2012	bsgbsg.com
13 May 2009	13 May 2012	bsgbsg.com.tw bsgbsg.com.cn
5 February 1999	18 March 2015	bsgroup.com.hk
18 March 2008	19 March 2012	BRIGHTSMART.COM.HK 耀才證券.hk

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

10. Particulars of service agreements

Each of the executive Directors has entered into a service agreement with the Company pursuant to which each of them had agreed to act as an executive Director for an initial term of three years commencing on the Listing Date and renewable automatically for successive terms of one year each commencing from the day following the expiry of the then current term of the appointment unless (i) terminated by (a) either party thereto giving not less than three months' prior written notice in the cases of each of Chan Kai Fung and Mr. Yip; (b) either party thereto giving not less than twelve months' prior written notice in the cases of each of Chan Wing Shing, Wilson and Kwok Sze Chi respectively, and (c) in the case of Hui Wah Chiu, the Company giving not less than six months' prior written notice or Hui Wah Chiu giving not less than twelve months' prior written notice, such termination period should be applied on or before 16 February 2011, and thereafter, either party thereto giving not less than three months' prior written notice, with the last day of the notice falling on the last day of the initial term or any time thereafter; or (ii) the Director not being re-elected as a Director or being removed by Shareholders at general meeting of the Company in accordance with the Articles of Association. Each of the executive Directors shall be entitled to an annual salary as set out below, subject to an annual review by the remuneration committee of the Board. Upon Listing, each of the executive Directors will, from time to time, be entitled to a discretionary target bonus provided that the aggregate amount of the bonuses payable to all the executive Directors for any financial year of the Company shall be subject to the approval by the Shareholders in general meeting. The current basic annual salaries of the executive Directors are as follows:

<u>Name</u>	<u>Annual salary</u> (HK\$)
Mr. Yip	1,200,000
Chan Kai Fung	1,440,000
Chan Wing Shing, Wilson	540,000
Kwok Sze Chi	1,200,000
Hui Wah Chiu ⁽¹⁾	<u>1,200,000</u>
Total:	<u><u>5,580,000</u></u>

Note:

- (1) If the Listing is successful, Hui Wah Chiu is entitled to an one-off performance bonus of HK\$1,000,000 for assisting the Company to be listed on the Stock Exchange. The bonus shall be paid in the month of the Listing.

Each of Yu Yun Kong and Ling Kwok Fai, Joseph is appointed as an independent non-executive director for a fixed term of three years commencing from the Listing Date, while Szeto Wai Sun is appointed as an independent non-executive Director for a fixed term of one year commencing from the Listing Date. The annual fee payable to each of Yu Yun Kong, Ling Kwok Fai, Joseph and Szeto Wai Sun shall be HK\$140,000, HK\$100,000 and HK\$120,000 respectively. Save for Director's fees, none of the independent non-executive Directors is expected to receive any other remuneration for holding the offices as an independent non-executive Director.

11. Directors' remuneration

Remuneration of approximately HK\$3.5 million, HK\$3.8 million and HK\$5.0 million in aggregate were paid by the Group to the Directors in respect of each of the three years ended 31 March 2008, 2009 and 2010.

Under the current arrangements, it is expected that the Directors will be entitled to receive an aggregate remuneration of approximately HK\$6.0 million, for the year ending 31 March 2011, excluding the discretionary bonuses payable to the Directors.

None of the Directors or any past directors of any member of the Group has been paid any sum of money for each of the three years ended 31 March 2010 as (i) an inducement to join or upon joining the Company; or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any members of the Group.

There has been no arrangement under which a Director has waived or agreed to waive any remuneration for each of the three years ended 31 March 2010.

12. Disclosure of interests

(a) *Interests and short positions of Directors in the share capital of the Company and its associated corporations*

So far as the Directors are aware, immediately following completion of the Share Offer (taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme), the interests and short positions of the Directors and chief executive of the Company in the Shares or underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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 and short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, once the Shares are listed, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange once the Shares are listed, will be as follows:

(i) The Company

<u>Name of Director</u>	<u>The company concerned</u>	<u>Capacity</u>	<u>Number and class of securities (note 1)</u>	<u>Approximate percentage shareholding in the same class of securities of the relevant company (approximate)</u>
Mr. Yip (Note 2)	The Company	Interest of controlled corporation	450,000,000 (L) ordinary Shares	67.5%
		Interest of controlled corporation	25,020,000 (S) ordinary Shares (note 3)	3.8%

Notes:

1. The letter “L” denotes the entity/person’s long position and the letter “S” denotes the entity/person’s short position respectively, in the Shares.
2. New Charming is a substantial Shareholder which is wholly owned by Mr. Yip (an executive Director and the Chairman of the Group). Accordingly, Mr. Yip is deemed to be interested in all the Shares held by New Charming and he is a director of New Charming.
3. These shares are the subject of the Stock Borrowing Agreement.

(ii) Associated corporation

Name of associated corporation	Name of Director	Capacity	Number of shares in the associated corporation (note 1)	Percentage of shareholding in the associated corporation
New Charming	Mr. Yip	Beneficial owner	1 (L)	100%

Note:

1. The letter “L” denotes the entity/person’s long position in the Shares.

(b) *Substantial Shareholders and other interests discloseable under 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 Over-allotment Option and options that may be granted under the Share Option Scheme), the following persons (other than a Director or the chief executive of the Company) will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who 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 members of the Group or have any option in respect of such capital:

Name	Capacity	Name of member of the Group	Class and number of securities (note 1)	Approximate percentage of shareholding in the relevant member of the Group
BOCOM International Holdings	Beneficial owner	The Company	50,000,000 (L) ordinary Shares	7.5%

Name	Capacity	Name of member of the Group	Class and number of securities (note 1)	Approximate percentage of shareholding in the relevant member of the Group
Bank of Communications Co., Ltd. (Note 2)	Interest in controlled corporation	The Company	50,000,000 (L) ordinary Shares	7.5%
New Charming (Note 3)	Beneficial owner	The Company	450,000,000 (L) ordinary Shares	67.5%
			25,020,000 (S) ordinary Shares (note 4)	3.8%

Notes:

1. The letter “L” denotes the entity/person’s long position and the letter “S” denotes the entity/person’s short position respectively, in the Shares.
2. BOCOM International Holdings is beneficially wholly owned by Bank of Communications Co., Ltd. Therefore, Bank of Communications Co., Ltd. is deemed or taken to be interested in all the Shares which are beneficially owned by BOCOM International Holdings.
3. New Charming is a limited liability company incorporated in BVI and is wholly owned by Mr. Yip (an executive Director and Chairman of the Group). Accordingly, Mr. Yip is deemed to be interested in all the Shares held by New Charming and Mr. Yip is a director of New Charming.
4. These shares will be the subject of the Stock Borrowing Agreement.

13. Personal guarantees

All personal guarantees given by the Directors as security for any debts or liabilities incurred by any member of the Group have been released which will be replaced by corporate guarantees after Listing. Accordingly, none of the Directors provided any personal guarantee as security for any debts or liabilities incurred by any member of the Group as at the Latest Practicable Date.

14. Agency fees or commissions received

The Underwriters will receive an underwriting commission, as mentioned in the section headed “Underwriting — Underwriting Commission and Expenses” in this prospectus.

15. Related party transactions

During the two years immediately preceding the date of this prospectus, the Group engaged in the related party transactions as mentioned in Note (25) of the Accountants' Report set out in Appendix I to this prospectus.

16. Disclaimers

Save as disclosed in this prospectus:

- (i) and taking no account of any Shares which may be taken up or acquired under the Share Offer or upon the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) 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 and short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, once the Shares are listed, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules to be notified to the Company and the Stock Exchange once the Shares are listed on the Main Board;
- (ii) and taking no account of any Shares which may be taken up or acquired under the Share Offer or issued upon the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme, so far as is known to the Directors, no person (not being a Director or chief executive of the Company) will have an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange 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 members of the Group or have any option in respect of such capital immediately following completion of the Share Offer;
- (iii) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between the Group and any of the Directors;
- (iv) none of the Directors or any persons referred to in the paragraph headed "Qualifications and consents of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been within the two years immediately preceding the date of this prospectus acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired, disposed of by or leased to any member of the Group nor will any Director apply for Shares either in his own name or in the name of a nominee;

- (v) none of the Directors or any persons referred to in the paragraph headed “Qualifications and consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group taken as a whole; and
- (vi) none of the person referred to in the paragraph headed “Qualifications and consents of experts” in this Appendix has any shareholding in any member in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in the Group.

No other options had been granted or agreed to be granted by the Company as at the Latest Practicable Date.

OTHER INFORMATION

17. Share Option Scheme

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a written resolution of all Shareholders passed on 4 August 2010 and adopted by a resolution of the Board on 4 August 2010. The terms of the Share Option Scheme are in accordance with the provisions under the Listing Rules. As at the Latest Practicable Date, no option has been granted pursuant to the Share Option Scheme.

Purpose of the scheme

The purpose of the Share Option Scheme is to enable the Group to grant options to the Eligible Persons (as defined below) as incentives or rewards for their contribution to the Group.

Conditions of the Share Option Scheme

The Share Option Scheme shall come into effect on the date (the “**Approval Date**”) on which the following conditions are fulfilled:

- the passing of the necessary resolution to approve and adopt the Share Option Scheme in general meeting or by way of written resolution of Shareholders; and
- the Stock Exchange granting the listing of and permission to deal in such number of Shares representing the Scheme Mandate Limit (as defined below) to be allotted and issued by the Company pursuant to the exercise of the Options (as defined below) in accordance with the terms and conditions of the Share Option Scheme.

Who may join

The Board may, at its absolute discretion, offer options (“**Options**”) to subscribe to such number of Shares in accordance with the terms set out in the Share Option Scheme to:

- any proposed executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group (“**Employee**”), any full-time or part-time Employee, or a person for the time being seconded to work full-time or part-time for any member of the Group (“**Executive**”);
- any non-executive directors (including independent non-executive directors) of the Group;
- any direct or indirect shareholder of any member of the Group;
- any supplier of goods or services to any member of the Group;
- any customer, consultant, business or joint venture partner, franchisee, contractor, agent or representative of any member of the Group;
- any person or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to any member of the Group; and
- any associate of any of the foregoing persons.

(the persons referred above are the “**Eligible Persons**”)

Maximum number of Shares

The maximum number of Share which may be allotted and issued upon exercise of all Options excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group, to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the Listing Date (the “**Scheme Mandate Limit**”) provided that (a) the Company may seek approval from its Shareholders in general meeting to refresh the Scheme Mandate Limit, provided that the maximum number of Shares which may be allotted and issued upon exercise of all Options to be granted under the Share Option Scheme and any other share option scheme of the Group must not exceed 10% of the Share in issue as at the date of approval by Shareholders in general meeting where the Scheme Mandate Limit is refreshed of the limit and, for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of the Group) previously granted under the Share Option Scheme and any other share option scheme of the Group will not be counted; and (b) the Company may seek separate approval from the Shareholders in general meeting for granting Options under the Share Option Scheme beyond the Scheme Mandate Limit or, if applicable, the extended Scheme Mandate Limit referred to in (a), provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Person specified by the Company before such approval is obtained.

The maximum number of Shares which may be allotted and issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and any other options granted and yet to be exercised under any other share option scheme of the Group shall not exceed 30% of the Company's issued share capital from time to time. No options may be granted under the Share Option Scheme or any other share option scheme of the Group if this will result in such limit being exceeded.

Maximum entitlement of each participant

No Options may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted and the options granted under any other share option scheme of the Group to that person in any 12-month period up to the date of the latest grant exceeds 1% of our Company's issued share capital for the time being unless the same is separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting.

Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled (but shall not be bound) at any time within a period of 10 years after the Approval Date to make an offer for the grant of an Option to any Eligible Person to subscribe at the subscription price for such number of Shares as the Board may determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

Subject to the provisions of the Listing Rules, the Board may when offering the grant of an Option impose any terms and conditions in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including the performance target(s) provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise), there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.

Granting Options to connected persons

Subject to the terms in the Share Option Scheme, where any offer of an Option is proposed to be made to any Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors (excluding the independent non-executive Director who or whose associates is the proposed grantee of an Option).

Where any grant of Options to a substantial Shareholder (as defined in the Listing Rules) or an independent non-executive Director, or any of their respective associates, would result in the 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 Shares in issue; and
- having an aggregate value, based on the closing price of the Shares at the date of each offer, in excess of HK\$5 million,

such further grant of Options must be approved by Shareholders in general meeting. The Company shall send a circular to Shareholders containing the information required under the Listing Rules. All connected persons of the Company must abstain from voting in favour at such general meeting.

Offer period and number accepted

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned (and by no other person) for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiration of the effective period of the Share Option Scheme. An Option shall have been accepted by the Eligible Person and to have taken effect when the duplicate Offer letter comprising acceptance of the Offer of the Option duly signed by the grantee together with a remittance in favour of the Company of HK\$1.0 by way of consideration for the grant thereof is received by the Company on or before 30 days after the offer date. Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate Offer letter comprising acceptance of the offer of the Option.

Restriction on the time of grant of Options

The Board shall not make an offer to grant any Option under the Share Option Scheme after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision until such price sensitive information has been announced in accordance with the requirements of the Listing Rules. In particular, no Option shall be granted on any day on which the Company's financial results are published and (a) during the period of 60 days immediately preceding the publication date of its annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of its quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

Exercise price

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine but the subscription price shall not be less than whichever is the highest of:

- the nominal value of a Share;
- the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- the average closing price of a Share as stated in the Stock Exchange's daily quotation sheets for the five Business Days immediately preceding the offer date.

Exercise of Option

An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the option period in the manner as set out in the Share Option Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.

The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorised share capital of the Company.

Subject as hereinafter provided:

- (a) if the grantee is an Employee and in the event of his ceasing to be an Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his personal representative(s) or, as appropriate, the grantee may exercise the Option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with the Group whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in sub-paragraph (c) or (d) below occur during such period, exercise the Option pursuant to sub-paragraph (c) or (d) respectively;
- (b) if the grantee is an Employee and in the event of his ceasing to be an Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any 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 (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute) before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the

Directors otherwise determine in which event the grantee may exercise the Option (to the extent not already exercised) in whole or in part within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in sub-paragraph (c) or (d) below occur during such period, exercise the Option pursuant to sub-paragraph (c) or (d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the grantee was actually at work with the Group whether salary is paid in lieu of notice or not;

- (c) if a general offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of the Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, Shareholders. The grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to Shareholders. Subject thereto, the Option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed;
- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his Option not less than one Business Day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation *pari passu* with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up of the Company; and
- (e) if a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company, the Company shall give notice thereof to the grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his legal representatives or receiver) may until the expiry of the earlier of:
 - (i) the Option period (in respect of any particular Option, the period commencing immediately after the Business Day on which the Option is deemed to be granted and accepted in accordance with the Share Option Scheme and expiring on a date

to be determined and notified by the Directors to each grantee provided that such period shall not exceed the period of 10 years from the date of the grant of a particular Option but subject to the provisions for early termination thereof contained in the Share Option Scheme);

- (ii) the period of two months from the date of such notice; or
- (iii) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his Option.

Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue on the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first date of the reopening of the register of members, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the allotment date or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date.

Any Shares allotted and issued upon the exercise of an Option shall not carry voting rights until the registration of the grantee (or any other person) has been duly entered on the register of members of the Company as the holder thereof.

Life of Share Option Scheme

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further Options may be issued or offered but the provisions of the Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any subsisting Options granted or exercised prior to the expiry of the 10-year period or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

Lapse of Share Option Scheme

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

- the expiry of the option period;
- the expiry of any of the period referred to in paragraphs related to exercise of Option in the paragraph headed “Exercise of Option” above;

- in respect of a grantee who is an Employee, the date on which the grantee ceases to be an Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any 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 (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute);
- in respect of a grantee other than an Employee, the date on which the Directors shall at their absolute discretion determine that (i) (a) such grantee or his associate has committed any breach of any contract entered into between such grantee or his associate on the one part and the Group or any the Group's invested entity on the other part; or (b) such grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (c) such grantee could no longer make any contribution to the growth and development of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and (ii) the Option shall lapse as a result of any event specified in sub-paragraphs (a), (b) or (c) above; and
- the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of the provisions on restrictions of transferability in the Share Option Scheme by the grantee in respect of that or any other Option.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

Adjustment

In the event of any alteration to the capital structure of the Company while any Option remains exercisable, or the Share Option Scheme remains in effect, and such event arises from a capitalization of profits or reserves, rights issue, consolidation, reclassification, reconstruction, sub-division of the Shares or reduction of the share capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- the maximum number of Shares subject to the Share Option Scheme; and/or
- the aggregate number of Shares subject to the Option so far as unexercised; and/or
- the subscription price of each outstanding Option.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalization issue), the auditors appointed by the Company or such independent financial adviser shall certify in writing to the Board that any such adjustments are in their opinion fairly and reasonably to be made, provided that, with respect to any particular grantee:

- any such adjustment shall give the grantee the same proportion of the issued share capital of the Company for which such grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;
- no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- the issue of Shares or other securities of the Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

Cancellation of Options not exercised

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the “**Cancellation Date**”):

- the grantee commits or enters into an agreement to commit a breach of the restriction on transferability of Option;
- the grantee gives a written consent of such cancellation and the Directors approves the same; or
- Chapter 17 of the Listing Rules permits such cancellation.

Termination

The Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme. Upon termination of the Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

Transferability

The Option shall be personal to the grantee and shall not be transferable or assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or enter into any agreement so to do. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option or part thereof granted to such grantee to the extent not already exercised.

Amendment

The Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out to the advantage of the grantees or prospective grantees except with the prior sanction of an ordinary resolution of the Shareholders in general meeting, provided always that the amended terms of the Share Option Scheme shall comply with the applicable requirements of the Listing Rules: the provisions the Share Option Scheme (i) as to the definitions of “Eligible Persons”, “Grantee”, “Option Period” and “Termination Date”; and (ii) relating to matters governed by Rule 17.03 of the Listing Rules.

Value of the Options

The Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at 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, exercise period, interest rate, expected volatility and other variables. As no option has been granted, certain variables are not available for calculating the value of options. The Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the investors.

18. Estate duty, tax and other indemnities*Estate duty, tax and other indemnities*

Each of the Controlling Shareholders has, pursuant to the deed of indemnity referred to in sub-paragraph (C) of the paragraph headed “Summary of material contracts” of this appendix, given indemnities in respect of, among other things:

- (a) estate duty or tax which becomes payable by any member of the Group, by virtue of section 35 and/or section 43 of the Estate Duty Ordinance or legislation to the same effects thereto in Hong Kong or any part of the world; and taxation resulting from income, profits or gains earned, accrued or received on or before the date on which all of the conditions stated in the Underwriting Agreements having been fulfilled or waived prior to 8:00 a.m. on 25 August 2010 (the “**Fulfilment Date**”), save in the following circumstances:
 - (i) to the extent that full provision has been made for such liability, taxation or taxation claim in the audited combined accounts of the members of the Group or any of them for the Track Record Period;
 - (ii) to the extent that the taxation arises in the ordinary course of business of the Group and falls on any of the members of the Group in respect of their current accounting periods or any accounting period commencing on or after the Fulfilment Date;

- (iii) to the extent that provision or reserve made for taxation in the audited accounts of the members of the Group or any of them for the Track Record Period are finally established to be an over-provision or an excessive reserve provided that the amount established to be the excessive portion of the over-provision or the excessive reserve shall only be applied to reduce the Controlling Shareholders' liability in respect of taxation up to 31 March 2010; or
 - (iv) to the extent that any increase in the taxation claim or the amount of any increase in any taxation claim to the extent that such taxation claim or such increased amount of the taxation claim arises or is incurred as a result of the imposition of taxation as a consequence of any change in the law or regulations or in the rate of taxation coming into force on or after the Fulfilment Date with retrospective effect.
- (b) any penalties, claims, actions, payments, demands, proceedings, judgments, settlement payments, losses, liabilities, damages, costs, charges, fees, expenses or fines (other than those having been paid or duly and sufficiently provided in the Accountants' Report set out in Appendix I to this prospectus) suffered or incurred by the Company and/or the relevant members of the Group as a result of directly or indirectly, or in connection with any failure or delay in attending tax filing in respect of the taxable income derived by any members of the Group on or before the Fulfilment Date;
 - (c) any claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses or fines of whatever nature suffered or incurred by the Company and/or the relevant members of the Group, as a result of directly or indirectly or in connection with any non-compliance with the applicable laws, rules, code of conduct or regulations (including but not limited to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)) in relation to events occurred on or before the Fulfilment Date;
 - (d) any claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses or fines suffered or incurred by the Company and/or the relevant members of the Group as a result of directly or indirectly or in connection with any litigation, proceeding, claim, investigation, inquiry, enforcement proceeding or process by any governmental, administrative or regulatory body which (i) members of the Group, their respective directors and/or licensed representatives or any of them is/are involved; and/or (ii) arises due to some act or omission of, or transaction voluntarily effected by, members of the Group or any of them (whether alone or in conjunction with some other act, omission or transaction) on or before the Fulfilment Date.

The Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands or Hong Kong is likely to fall on the Group.

19. Litigation

Neither the Company nor any of its subsidiaries is 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 the Company or any member of the Group that would have a material adverse effect or the results of operations or financial condition of the Group.

20. Joint Sponsors

The Joint Sponsors have made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned herein (including any Shares to be issued pursuant to the exercise of the Over-allotment Option and any Shares to be issued within the Scheme Mandate Limit pursuant to the exercise of any options that may be granted under the Share Option Scheme).

The Listing of the Shares on the Stock Exchange is sponsored by BOCOM International Asia and Somerley.

BOCOM International Holdings is a wholly-owned subsidiary of Bank of Communications Co., Ltd. BOCOM International Asia is a wholly-owned subsidiary of BOCOM International Holdings. Pursuant to the Call Option Agreement, BOCOM International Holdings exercised the Options to require Mr. Yip to transfer the Option Shares to BOCOM International Holdings, representing approximately 10% of the total issue share capital of the Company prior to the Share Offer, and approximately 7.5% of the total issue share capital of the Company immediately after the Share Offer (assuming the Over-allotment Option is not exercised). Details of the Call Option Agreement and the conversion are set out in the section headed “History, Reorganisation and Group Structure” of this prospectus. Accordingly, BOCOM International Asia does not satisfy the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

Bank of Communications Co., Ltd. Hong Kong Branch, being a branch of Bank of Communications Co., Ltd., provides general banking facilities to Bright Smart Securities for the sole purpose of financing the IPO financing business of Bright Smart Securities pursuant to a master staging facility letter (stockbroker/securities margin financier) dated 10 September 2008. The maximum outstanding loan amount due from Bright Smart Securities to Bank of Communications Co., Ltd. Hong Kong Branch from the date of submission of the listing application of the Company to the Stock Exchange up to 31 July 2010 was approximately HK\$2,273.3 million, and there was no outstanding loan amount due from Bright Smart Securities to Bank of Communications Co., Ltd. Hong Kong Branch as at 31 July 2010.

Bank of Communications Co., Ltd. Hong Kong Branch also provides to China Finance general banking facilities in a maximum amount of approximately HK\$250 million, and a revolving loan in a maximum amount of approximately HK\$148 million for the purpose of shareholder’s capital injection or shareholder’s loan of Bright Smart Securities during which period Bright Smart Securities is conducting IPO financing. The maximum outstanding loan amount due from China Finance to Bank of Communications Co., Ltd. Hong Kong Branch from the date of submission of the listing application of the Company to the Stock Exchange up to 31 July 2010 was approximately HK\$443.9 million.

BOCOM International Securities, being a wholly-owned subsidiary of BOCOM International Holdings, which is a wholly-owned subsidiary of Bank of Communications Co., Ltd., is the Bookrunner, Lead Manager and one of the Underwriters. Bank of Communications Co., Ltd. Hong Kong Branch is one of the receiving bankers for the Public Offer.

Save for an advisory and documentation fee or underwriting commission (in their capacity as a Placing Underwriter or a Public Offer Underwriter), the Joint Sponsors will not receive any agency fee or commission.

Somerley (as compliance adviser of the Company) will also receive normal professional fees in connection with the advisory services to be provided to the Company for a period commencing on the Listing Date and ending on the date on which the Company complies with Rule 13.46 of the Listing Rules in respect of its financial results for the first full financial year commencing after the Listing Date.

21. Promoter

The promoter of the Company is Mr. Yip. Save as disclosed in this prospectus, no cash, securities or other benefit had been paid, allotted or given within two years preceding the date of this prospectus, 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.

22. Preliminary expenses

The preliminary expenses of the Company are estimated to be approximately HK\$17,472 and are payable by the Group.

23. Qualifications and consents of experts

The qualifications of the experts who have given opinions or whose advices and names are referred to in this prospectus are as follows:

Name	Qualification
BOCOM International Asia. . . .	Licensed corporation under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Somerley	Licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
K&L Gates.	Legal advisers of the Company as to Hong Kong law
KPMG.	Certified Public Accountants
Appleby.	Cayman Islands attorneys-at-law
DTZ Debenham Tie Leung Limited.	Property Valuer

Each of BOCOM International Asia, Somerley, K&L Gates, KPMG, Appleby and DTZ Debenham Tie Leung Limited has given and has not withdrawn its written consents to the issue of this prospectus with the inclusion of their reports and/or letters and/or valuation and/or opinions and summaries of opinions (as the case may be) and/or the references to its name or summaries of opinion included in the form and context in which they are respectively included.

Save for the interest as disclosed under the section headed “History, Reorganisation and Group Structure - Strategic Investments from BOCOM International Holdings”, none of BOCOM International Asia, Somerley, K&L Gates, KPMG, Appleby and DTZ Debenham Tie Leung Limited nor their associates:

- (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 any shares in any member of the Group.

24. Binding effect

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

25. Bilingual prospectus

Pursuant to Rule 11.14 of the Listing Rules and section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this prospectus are being published separately but are available to the public at the same time.

26. Miscellaneous

- (a) Save as disclosed in this prospectus, within the two years preceding the date of this prospectus:
 - (i) no share or loan capital of the Company or any of its subsidiaries had been issued or agreed to be issued or was proposed 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 was under option or was agreed conditionally or unconditionally to be put under option;
 - (iii) no commission had been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any share in the Company or any of its subsidiaries; and
 - (iv) no commissions, discounts, brokerages or other special terms had been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries.
- (b) The Directors have confirmed that (i) save as disclosed under the paragraph headed “Net current assets” in the section headed “Financial information” in this prospectus, there has been no material adverse change in the financial or trading positions of the Group since 31 March 2010 (being the date to which the latest audited combined financial information of the Group were made up); and (ii) there had not been any interruption in the business of the Group which might have or have had a significant effect on the financial position of the Group in the 12 months immediately preceding the date of this prospectus.
- (c) The Company has no founder, management or deferred shares.
- (d) No securities of the Group are listed, and no listing of any such securities is proposed to be sought, on any other stock exchange.
- (e) All necessary arrangements have been made to enable the Shares to be admitted into CCASS.
- (f) The Group had not issued any debentures nor did it have any outstanding debentures nor any convertible debt securities as at the Latest Practicable Date.