

A. FURTHER INFORMATION ABOUT THE GROUP

1. Incorporation of Our Company

Our Company was incorporated in Cayman Islands under the Cayman Companies Law as an exempted company with limited liability on 20 July 2011. Our Company has established a principal place of business in Hong Kong at 38/F, New World Tower, 16-18 Queen's Road Central, Hong Kong and our Company was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part XI of the Companies Ordinance on 21 November 2011. Dr. Tan Guet-Lan, Lauren and Mr. Cheng Ping-Hei, Hamilton have been appointed the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it operates subject to the relevant laws and regulations of Cayman Islands and its constitution, comprising its Memorandum and Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of the Memorandum and Articles of Association is set out in the section headed "Appendix IV – Summary of the Constitution of the Company and Cayman Companies Law".

2. Changes in the Share Capital of Our Company

As at the date of incorporation of our Company, our Company had an authorised share capital of US\$50,000.00 divided into 50,000 shares of US\$1.00 each.

On 17 November 2011 and 29 November 2011, (1) the authorised share capital of the Company was increased by HK\$50,000,000,000 by the creation of an additional 50,000,000,000 Shares; (2) the Company allotted and issued 780 Shares fully paid to CTF Holding, the current sole Shareholder of the Company; (3) the Company repurchased and cancelled the one issued share with a nominal value of US\$1.00 in the capital of the Company in issue immediately prior to the issue of the New Shares; and (4) authorised but unissued share capital of the Company was diminished by the cancellation of all the 50,000 unissued shares with a nominal value US\$1.00 each in the capital of the Company;

On 29 November 2011, the sole Shareholder resolved that, conditional on the share premium account of the Company being credited as a result of the allotment and issue of the Offer Shares pursuant to the Global Offering, the Directors were authorised to capitalise an amount of HK\$8,949,999,220 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 8,949,999,220 Shares for allotment and issue to the sole Shareholder whose name appeared in the register of members of the Company at close of business on 15 November 2011 (or as it may direct).

The following is a description of the authorised and issued share capital of our Company in issue and to be issued as fully paid or credited as fully paid immediately prior to and following the completion of the Global Offering and the Capitalisation Issue.

	HK\$
<i>Authorised share capital:</i>	
50,000,000,000 shares of HK\$1.00 each	50,000,000,000
<i>Issued and to be issued, fully paid or credited as fully paid:</i>	
780 Shares in issue as at the date of this prospectus	780
8,949,999,220 Shares to be issued pursuant to the Capitalisation Issue	8,949,999,220
1,050,000,000 Shares to be issued pursuant to the Global Offering	1,050,000,000
<u>10,000,000,000</u> Total	<u>10,000,000,000</u>

ASSUMPTIONS

The above table assumes that the Global Offering becomes unconditional and Shares are issued pursuant to the Global Offering. It takes no account of any Shares which may be issued or repurchased by us pursuant to the general mandates granted to our Directors to issue or repurchase Shares as described below.

As at the Latest Practicable Date, our Company had an authorised share capital of HK\$50,000,000,000, divided into 50,000,000,000 Shares, and an issued share capital of HK\$780, divided into 780 Shares, all fully paid or credited as fully paid.

Immediately following the completion of the Global Offering and the Capitalisation Issue, the issued share capital of our Company will be HK\$10,000,000,000, divided into 10,000,000,000 Shares, all fully paid or credited as fully paid and 40,000,000,000 Shares will remain unissued.

Save as disclosed above and in the section headed “— Resolutions in Writing of Our Shareholder Passed on 17 November 2011 and 29 November 2011” below, there has been no alteration in the share capital of our Company since its incorporation.

3. Resolutions in Writing of Our Shareholder Passed on 17 November 2011 and 29 November 2011

Pursuant to the written shareholder’s resolutions passed by CTF Holding on 17 November 2011 and 29 November 2011 among others:

- (a) our Company approved and adopted our Articles of Association conditional upon Listing;
- (b) (1) the authorised share capital of the Company was increased by HK\$50,000,000,000 by the creation of an additional 50,000,000,000 Shares; (2) the Company allotted and issued 780 Shares fully paid to CTF Holding, the then sole Shareholder of the Company; (3) the Company repurchased and cancelled the one issued share with a nominal value of US\$1.00 in the capital of the Company in issue immediately prior to the issue of the New Shares; and (4) the authorised but unissued share capital of the Company was diminished by the cancellation of all the 50,000 unissued shares with a nominal value US\$1.00 each in the capital of the Company;
- (c) our Company adopted the Memorandum with immediate effect reflecting the above amendment to the authorised share capital of the Company;
- (d) conditional on (1) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, (2) the Offer Price being fixed on the Price Determination Date, (3) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms therein or otherwise, in each case on or before such dates as may be specified in the Underwriting Agreements and (4) CTF Holding agreeing to sell a portion of its Shares in the Global Offering:
 - (i) the Global Offering was approved and the Directors were authorised to allot and issue the new Shares pursuant to the Global Offering;
 - (ii) the proposed Listing was approved and the Directors were authorised to implement the Listing;

- (iii) conditional on the share premium account of the Company being credited as a result of the allotment and issue of the Offer Shares pursuant to the Global Offering, the Directors were authorised to capitalise an amount of HK\$8,949,999,220 standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par 8,949,999,220 Shares for allotment and issue to the sole member of the Company whose name appeared in the register of members of the Company at close of business on 15 November 2011 (or as it may direct);
- (iv) a general unconditional mandate was granted to the Directors to issue, allot and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to (a) a rights issue, (b) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association, (c) the exercise of any options which may be granted pursuant to the Share Option Scheme or (d) a specific authority granted by our Shareholders in general meeting, shall not exceed the aggregate of (1) 20% of the total nominal value of the share capital of our Company in issue immediately following the completion of the Global Offering and (2) the total nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph (v) below, such mandate to remain in effect during the period from the passing of the resolution until the earliest of (A) the conclusion of our next annual general meeting, (B) the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting and (C) the date on which the resolution is varied or revoked by an ordinary resolution of our Shareholders in general meeting (the “**Applicable Period**”); and
- (v) a general unconditional mandate was granted to the Directors to exercise all the powers of our Company to repurchase Shares on the Stock Exchange, or on any other stock exchange on which the Shares may be listed (and which is recognised by the SFC and the Stock Exchange for this purpose), with a total nominal value of not more than 10% of the total nominal value of our share capital in issue immediately following the completion of the Global Offering, such mandate to remain in effect during the Applicable Period.

4. OUR PRINCIPAL SUBSIDIARIES

Our principal subsidiaries are set out in the Accountant’s Report, the text of which is set out in Appendix I to this prospectus.

5. CHANGES IN THE SHARE CAPITAL OF OUR SUBSIDIARIES

The following alterations in the share capital of our subsidiaries have taken place within the two years immediately preceding the date of this prospectus:

Chongqing Fuxi Jewellery Company Limited 重慶市福禧珠寶金行有限公司 (“**Chongqing Fuxi**”)

As of the date of its incorporation on 25 December 2008, the registered share capital of Chongqing Fuxi was RMB1,000,000.00. On 12 August 2010, the registered share capital of Chongqing Fuxi was increased to RMB5,000,000.00.

Shanghai Fulong Chow Tai Fook Jewellery Limited 上海福龍周大福珠寶有限公司 (“**Shanghai Fulong**”)

As of the date of its incorporation on 5 January 2000, the registered share capital of Shanghai Fulong was HK\$5,000,000.00. On 21 December 2009, the registered share capital of Shanghai Fulong was increased to RMB10,000,000.00.

Techni Development Investment Limited 達利發展投資有限公司 (“**Techni**”)

As of the date of its incorporation on 26 May 2005, the issued share capital of Techni was HK\$10,000.00 divided into 10,000 ordinary shares with a nominal value of HK\$1.00 each. As part of the Reorganisation, the issued share capital of Techni has been increased to HK\$5,000,000.00 divided into 5,000,000 ordinary shares with a nominal value of HK\$1.00 each.

Gold Kind Investments Limited 金佳投資有限公司 (“**Gold Kind**”)

As of the date of its incorporation on 7 May 2005, the issued share capital of Gold Kind was HK\$1.00 divided into 1 ordinary share having nominal value of HK\$1.00. As part of the Reorganisation, the issued share capital of Gold Kind has increased to HK\$10,000.00 divided into 10,000 ordinary shares having a nominal value of HK\$1.00.

East Concept Investments Limited 耀恒投資有限公司 (“**East Concept**”)

As of the date of its incorporation on 5 January 2006, the issued share capital of East Concept was HK\$1.00 divided into 1 ordinary share having nominal value of HK\$1.00. As part of the Reorganisation, the issued share capital of East Concept has increased to HK\$10,000.00 divided into 10,000 ordinary shares having a nominal value of HK\$1.00.

Texon Investments Limited 德誠投資有限公司 (“**Texon**”)

As of the date of its incorporation on 5 January 2006, the issued share capital of Texon was HK\$1.00 divided into 1 ordinary share having nominal value of HK\$1.00. As part of the Reorganisation, the issued share capital of Texon has increased to HK\$10,000.00 divided into 10,000 ordinary shares having a nominal value of HK\$1.00.

Save as disclosed above, there has been no other alteration in the share capital of any of our subsidiaries within the two years immediately preceding the date of this prospectus.

6. REPURCHASES BY OUR COMPANY OF OUR OWN SECURITIES

This section sets out 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 own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) Shareholders' Approval

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

(ii) Source of Funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of our Company and the Listing Rules and the applicable 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. Subject to the foregoing, under the Cayman Companies Law any repurchases by our Company may be made out of our Company's funds which would otherwise be available for dividend or distribution, out of our Company's share premium account, out of the proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Cayman Companies Law, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of the funds which would otherwise be available for dividend or distribution or from sums standing to the credit of our Company's share premium account or, if authorised by the Articles, and subject to the Cayman Companies Law, out of capital.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) 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 a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting Requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the

commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or their associates and a connected person is prohibited from knowingly selling his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that the ability to repurchase Shares is in the interests of our Company and our Shareholders. Repurchases may, depending on the circumstances, result in an increase in the net assets and/or earnings per Share. Our Directors have sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

(c) Funding of Repurchases

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

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this prospectus) in the event that the repurchase mandate were to be carried out in full at any time during the share repurchase period. However, our Directors do not propose to exercise the general 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.

(d) General

The exercise in full of the repurchase mandate, on the basis of 10,000,000,000 Shares in issue immediately following the completion of the Global Offering and the Capitalisation Issue, could accordingly result in up to approximately 1,000,000,000 Shares being repurchased by our Company during the period prior to:

- (i) the conclusion of our next annual general meeting; or
- (ii) the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting,

whichever is the earliest.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules and the applicable laws in Hong Kong.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "**Takeovers Code**"). Accordingly, a Shareholder 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 Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the repurchase mandate.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

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

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this prospectus and are or may be material:

- (a) the Hong Kong Underwriting Agreement; and
- (b) the Convertible Note Agreement dated 10 June 2011 between Autore (as issuer) and Techni (as noteholder) relating to the issue of a convertible note to Techni, which has a principal amount of AUS\$3,000,000 and bears interest at 8% per annum with a maturity date of 31 December 2014.

2. Intellectual Property Rights of the Group

As at the Latest Practicable Date, we had registered or had applied for the registration of the following intellectual property rights which are material in relation to our business.

(a) Trademarks

As at the Latest Practicable Date, members of our Group had registered the following trademarks which are material to our business:

No.	Trademark	Type and Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.		14	Chow Tai Fook Jewellery Company Limited	Hong Kong	301625689	28/05/2020
2.		14	Chow Tai Fook Jewellery Company Limited	Macau	N/045327	25/01/2017
3.		14	Chow Tai Fook Jewellery Company Limited	PRC	7788122	27/12/2020

(b) Domain Names

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

No.	Domain Name	Registrant	Date of Registration	Expiry Date
1.	周大福.com	Chow Tai Fook Jewellery Company (Shenzhen) Limited	08/07/2004	08/07/2018
2.	chowtaifook.com	Chow Tai Fook Jewellery Company Limited	28/07/1996	28/07/2021

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) *Interests of the Directors and the Chief Executive of Our Company*

Immediately following the completion of the Global Offering and the Capitalisation Issue and without taking into account any Shares which may be sold pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, the interests or short positions of the Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered into in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed will be as follows:

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Relevant company (including associated corporations)</u>	<u>Number of shares in the relevant company</u>	<u>Approximate percentage of total issued shares in the relevant company immediately after completion of the Global Offering and the Capitalisation Issue and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised</u>
Koo Tong-Fat	Personal beneficial interest	International Entertainment Corporation	350,000	0.03
Koo Tong-Fat	Family beneficial interest	International Entertainment Corporation	6,000	0.00
Suen Chi-Keung, Peter	Personal beneficial interest	International Entertainment Corporation	4,000	0.00
Suen Chi-Keung, Peter	Family beneficial interest	International Entertainment Corporation	4,000	0.00

(b) Interests of the Substantial Shareholders

So far as is known to any Director or chief executive of our Company, immediately following the completion of the Global Offering and the Capitalisation Issue and without taking into account any Shares which may be sold pursuant to the exercise of the Offer Size Adjustment Option and the Over-allotment Option, the following persons (other than a Director or chief executive of our Company) will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, 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:

Long Positions in the Shares and the Underlying Shares

<u>Name of Shareholder</u>	<u>Nature of interest and capacity</u>	<u>Immediately following the completion of the Global Offering and the Capitalisation Issue and assuming the Offer Size Adjustment Option and the Over-allotment Option are not exercised</u>	
		<u>Number of Shares held</u>	<u>Approximate % of interest</u>
CYT Family Holdings ⁽¹⁾	Interest in a controlled corporation	3,249,655,500	49.0
CYT Family Holdings II ⁽¹⁾	Interest in a controlled corporation	2,666,043,900	40.2
CTF Capital ⁽¹⁾	Interest in controlled corporation	6,631,950,000	74.1
CTF Holding ⁽¹⁾	Legal and beneficial owner	8,950,000,000	89.5

Note:

(1) CYT Family Holdings and CYT Family Holdings II each holds approximately 49.0% and 40.2% interest in CTF Capital, respectively, which in turn holds an approximate 74.1% interest in CTF Holding and is accordingly deemed to have an interest in the Shares and deemed to be interested by CTF Holding.

2. Directors' Service Contracts

None of our Directors has entered into a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' Remuneration

The remunerations (including fees, salaries, contribution to pension schemes, housing allowances and other allowances and benefits in kind and discretionary bonuses) paid to our Directors in aggregate for FY2009, FY2010, FY2011 and 1HFY2012 were approximately HK\$23.4 million, HK\$25.1 million, HK\$25.6 million and HK\$16.0 million, respectively.

Save as disclosed above, no other payments have been made or are payable in respect of FY2009, FY2010, FY2011 and 1HFY2012 by any member of the Group to any of our Directors.

Under the arrangements currently in force, our Company estimates the aggregate remuneration payable to, and benefits in kind receivable by, our Directors in respect of the year ending 31 March 2012 to be approximately HK\$40.4 million.

4. Disclaimers

Save as disclosed in this prospectus:

- (a) none of the Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and 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 in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are listed on the Stock Exchange;
- (b) so far as is known to any Director or chief executive of our Company, no person has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is, 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;
- (c) none of our Directors nor any of the persons listed in the section headed “—Other Information — Qualification of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this prospectus, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group;
- (d) none of our Directors is materially interested in any contract or arrangement with the Group subsisting at the date of this prospectus which is unusual in its nature or conditions or which is significant in relation to the business of the Group;
- (e) save in connection with Underwriting Agreements, none of the persons listed in the section headed “— Other Information — Qualification of Experts” below has any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group;
- (f) save for the Underwriting Agreements, none of the persons listed in the section headed “— Other Information — Qualification of Experts” below 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;
- (g) none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation);
- (h) so far as is known to our Directors, none of our Directors or their associates or any Shareholder (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) has any interest in any of the five largest customers or the five largest suppliers of the Group; and
- (i) none of our Directors are interested in any business apart from the Group’s business which competes or is likely to compete, directly or indirectly, with the business of the Group.

D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by the Shareholders on 17 November 2011. The terms of the Share Option Scheme are in accordance with the provisions of Chapter 17 of the Listing Rules.

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract skilled and experienced personnel, to incentivise them to remain with the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to acquire equity interests in our Company.

2. Participants of the Share Option Scheme and Basis for Determining the Eligibility of the Participants

Our Board may, at its discretion, grant options pursuant to the Share Option Scheme to the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of our subsidiaries and the employees of the Group and any other persons (including consultants or advisers) who the Board considers, in its absolute discretion, have contributed or will contribute to the Group (the “**Participants**”).

3. Status of the Share Option Scheme

(a) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect subject to (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of any options to subscribe for Shares pursuant to the Share Option Scheme and (ii) the commencement of trading of the Shares on the Main Board of the Stock Exchange (the “**Conditions**”).

(b) Term of the Share Option Scheme

Subject to the Conditions being satisfied, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date of its conditional adoption by our Company (the “**Term**”), after which period no further options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the Term.

4. Grant of Options

(a) Making an Offer

An offer of the grant of an option shall be made to a Participant by a notice of grant requiring the Participant to undertake to hold the option on the terms on which it is to be granted (which may include a minimum period for which the option must be held before it can be exercised and a performance target that must be reached before the option can be exercised in whole or in part) and to be bound by the terms of the Share Option Scheme.

(b) Acceptance of an Offer

An offer of the grant of an option is deemed to be accepted by the Participant (the “**Grantee**”) when our Company receives from the Grantee the duplicate notice of grant duly signed by the

Grantee. An offer may be accepted or deemed to have been 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 or an integral multiple thereof. No amount is payable by the Grantee upon acceptance of an offer of an option.

The offer shall remain open for acceptance for such time to be determined by our Board, provided that no such offer shall be open for acceptance after the expiry of the Term or after the termination of the Share Option Scheme in accordance with its terms or after the Participant to whom the offer is made has ceased to be a Participant. To the extent that the offer is not accepted within the time period and in the manner specified in the offer, the offer will be deemed to have been irrevocably declined.

(c) Satisfaction by Cash Payment

The Board may, in its absolute discretion, determine whether all or any of the options granted or to be granted under the Share Option Scheme shall be satisfied upon exercise by the allotment and issue of Shares or by a Cash Payment (as defined below). Any such determination may be made on a case-by-case basis or generally at any time prior to the grant or vesting date of the option(s) in question, and the Board shall notify the relevant Grantees of such determination.

For the purpose of the Share Option Scheme:

- (A) “**Cash Payment**” means an amount in cash to be determined by the Company in accordance with the formula set out below:

$$\text{Cash Payment} = A \times (B - C)$$

where:

A = the number of Shares in respect of which the option has been exercised;

B = the Market Value (as defined below) of a Share on the date of exercise of the option;

C = the Exercise Price (as defined in paragraph 5 below),

and the Company’s determination of the amount of the Cash Payment shall, in the absence of fraud or manifest error, be binding on the Company and the relevant Grantee; and

- (B) “**Market Value**” means, in relation to a Share, (a) on a particular day in which the Shares are listed on the Stock Exchange, the volume weighted average closing price of the Shares as quoted on the Stock Exchange during the immediately preceding 30 business days; or (b) on any particular day in which the Shares are not listed on the Stock Exchange, the fair market value thereof as determined by the auditors, acting as experts.

(d) Restrictions on Time of Grant

A grant of options may not be made 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 published by our Company in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the meeting of the Board (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 an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, no options may be granted; and where a grant of options is to a Director, no options may be granted on any day on which the financial results of our Company are published and during the period of:

- (iii) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (iv) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(e) *Grant to Connected Persons*

Any grant of options to any Director, chief executive or substantial shareholder of our Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed Grantee of the options in question).

(f) *Grant to Substantial Shareholders and Independent Non-Executive Directors*

Where any grant of options to a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, would result in the Shares underlying all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person pursuant to the Share Option Scheme and any other share option schemes of our Company in the 12 month period up to and including the offer date:

- (i) representing in aggregate over 0.1% of the Shares in issue on the offer date; and
- (ii) having an aggregate value, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, in excess of HK\$5 million,

such further grant of options shall be subject to prior approval by the Shareholders in general meeting by way of poll and all connected persons of our Company shall abstain from voting in favour of the resolution relating to the grant of such options at such general meeting.

Any change in the terms of an Option granted to any Director, chief executive or substantial shareholder of our Company, or any of their respective associates, shall also be subject to the prior approval by the Shareholders in general meeting by way of poll and all connected persons of our Company shall abstain from voting in favour of the resolution.

5. Exercise Price

The price per Share at which a Grantee may subscribe for Shares upon the exercise of an option (the “**Exercise Price**”) shall be determined by our Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the offer date, which must be a business day;

- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five business days immediately preceding the offer date; and
- (c) the nominal value of the Shares,

provided that for the purpose of determining the Exercise Price where the Shares have been listed on the Stock Exchange for less than five business days, the Offer Price shall be used as the closing price of the Shares for any business day falling within the period before the Listing.

6. Maximum Number of Shares Available for Subscription

(a) Scheme Mandate Limit

At any time during the Term, the maximum aggregate number of Shares in respect of which options may be granted pursuant to the Share Option Scheme shall be calculated in accordance with the following formula:

$$X = A - B - C$$

where:

X = the maximum aggregate number of Shares in respect of which options may be granted pursuant to the Share Option Scheme;

A = the total number of Shares in respect of which options may be granted pursuant to the Share Option Scheme and any other share option schemes of the Company, being (i) 10% of the Shares in issue on the Listing Date being 1,000,000,000 Shares or (ii) 10% of the Shares in issue as at the New Approval Date (as defined below) (the “**Scheme Mandate Limit**”);

B = the maximum aggregate number of Shares underlying the options already granted pursuant to the Share Option Scheme which in the event that there has been a New Approval Date (as defined in paragraph 6(b) below), shall only include those Shares underlying options that have been granted since that most recent New Approval Date; and

C = the maximum aggregate number of Shares underlying the options already granted pursuant to any other share option schemes of our Company.

Shares in respect of options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Company will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which options may be granted pursuant to the Share Option Scheme.

(b) Renewal of Scheme Mandate Limit

The Scheme Mandate Limit may be renewed subject to prior Shareholders’ approval, but in any event, the total number of Shares in respect of which options may be granted pursuant to the Share Option Scheme and any other share option schemes of our Company following the date of approval of the renewed limit (the “**New Approval Date**”) under the limit as renewed must not exceed 10% of the Shares in issue as at the New Approval Date. Shares in respect of options granted pursuant to the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes of our Company or exercised options) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which options may be granted following the New Approval Date under the limit as renewed. For the avoidance of doubt, Shares issued prior to the New Approval Date pursuant to the exercise of options granted pursuant to the Share Option Scheme and any other share option schemes of our Company

will be counted for the purpose of determining the number of Shares in issue as at the New Approval Date.

(c) Grant of Options Beyond the Scheme Mandate Limit

Notwithstanding the foregoing, our Company may grant options beyond the Scheme Mandate Limit to Participants if:

- (i) separate Shareholders' approval has been obtained for granting options beyond the Scheme Mandate Limit to Participants specifically identified by our Company before such Shareholders' approval is sought; and
- (ii) our Company, in connection with the seeking of such separate Shareholders' approval, has first sent a circular to Shareholders containing such information as may be required by the Listing Rules.

(d) Maximum Number of Shares Issued Pursuant to the Exercise of Options

At any time, the maximum number of Shares underlying all outstanding options which have been granted and have yet to be exercised pursuant to the Share Option Scheme and any other share option schemes of our Company shall not exceed 30% of the Shares in issue from time to time.

(e) Grantee's Maximum Holding

Subject to the paragraph below, the maximum number of Shares underlying the options granted to each Participant pursuant to the Share Option Scheme (including both exercised and outstanding options) in any 12-month period shall not (when aggregated with any Shares underlying the options granted during such period pursuant to any other share option schemes of our Company other than those options granted pursuant to a specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue for the time being.

Where any further grant of options to a Participant would result in the Shares underlying all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant (when aggregated with any Shares pursuant to options granted during such period pursuant to any other share option schemes of our Company other than those options granted pursuant to a specific approval by the Shareholders in a general meeting) representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his associates abstaining from voting. Our Company must send a circular to the Shareholders disclosing the identity of the Participant in question, the number and terms of the options to be granted (and options previously granted to such Participant) and such other information required under the Listing Rules.

7. Rights Attached to the Options

The options do not carry any right to vote at general meetings of our Company, or any dividend, transfer or other rights (including those arising on the winding up of our Company).

No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an option pursuant to the Share Option Scheme, unless and until the Shares underlying the option are actually issued to the Grantee pursuant to the exercise of such option.

8. Rights Attached to the Shares

No dividends or distributions shall be payable in respect of any Shares underlying an option which has not been exercised.

Subject to the foregoing, the Shares which are allotted and issued upon the exercise of an option shall be subject to all the provisions of the Memorandum and Articles of Association for the time being in force and shall rank *pari passu* in all respects with, and shall have the same voting, dividend, transfer and other rights (including those rights arising on a liquidation of our Company) as, the existing fully paid Shares in issue on the date on which those Shares are allotted and issued upon the exercise of the option and, without prejudice to the generality of the foregoing, shall entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are issued and allotted, other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be before the date on which the Shares are issued and allotted.

9. Assignment of Options

An option shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any option.

10. Exercise of Options*(a) General*

The period during which an option may be exercised by a Grantee (the “**Option Period**”) shall be the period to be determined and notified by the Board to the Grantee at the time of making an offer, which shall not expire later than 10 years from the offer date.

Subject to any restrictions applicable under the Listing Rules, an option may be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) by the Grantee at any time during the Option Period in accordance with the terms of the Share Option Scheme and the terms on which the option was granted. If the vesting of Shares underlying an option is subject to the satisfaction of performance or other conditions and such conditions are not satisfied, the option shall lapse automatically on the date on which such conditions are not satisfied in respect of the relevant Shares underlying the option.

An option shall, subject to the provisions of paragraph 13, be exercised by the Grantee by giving notice in writing to our 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 payment for the full amount of the Exercise Price multiplied by the number of Shares in respect of which the notice is given, save where the Board has determined pursuant to paragraph 4(c) that the option is to be satisfied by a Cash Payment or to the extent that other arrangements have been made for the payment of the Exercise Price which are satisfactory to the Board. Within 10 business days after receipt of the notice and the payment of the full amount of the relevant aggregate Exercise Price (if any) our Company shall accordingly either (i) allot and issue the relevant number of Shares to the Grantee credited as fully paid and issue to the Grantee (or his custodian agent) share certificates in respect of the Shares so allotted, or (ii) make a Cash Payment to the Grantee, as the case may be.

(b) Rights on a Takeover

In the event a general offer by way of takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 10(c) below) is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person

acting in association or concert with the offeror) by any person and such offer becomes or is declared unconditional prior to the expiry date of the Option Period of the relevant option, notwithstanding any other terms on which the option was granted, the Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by the Company, by the Grantee giving notice to our Company at any time thereafter and up to the close of such offer (or, as the case may be, revised offer). Subject to the foregoing, the option (to the extent not already exercised) will lapse automatically on the date on which such offer (or, as the case may be, revised offer) closes.

(c) Rights on a Scheme of Arrangement

In the event a general offer for Shares by way of scheme of arrangement is made by any person to all the Shareholders and has been approved by the necessary number of Shareholders at the requisite meetings prior to the expiry date of the Option Period of the relevant option, notwithstanding any other terms on which the option was granted, each Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, by the Grantee giving notice to our Company at any time thereafter and up to the record date for determining entitlements under such scheme of arrangement. Subject to the foregoing and to the scheme of arrangement becoming effective, the option (to the extent not already exercised) will lapse automatically on the record date for determining entitlements under such scheme of arrangement.

(d) Rights on a Compromise or Arrangement

If, pursuant to the Cayman Companies Law, a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph 10(c) above) between our Company and the Shareholders and/or the creditors of our Company is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or the amalgamation of our Company with any other company or companies prior to the expiry date of the Option Period of the relevant option, our Company shall give notice thereof to all the Grantees on the same day as our Company dispatches to the Shareholders and/or the creditors of our Company a notice summoning the meeting to consider such a compromise or arrangement and, notwithstanding any other terms on which the option was granted, each Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, by the Grantee giving notice to our Company, such notice to be given not later than three business days prior to the date of the proposed meeting. Our Company shall as soon as possible and in any event no later than one business day immediately prior to the date of the proposed meeting, either (i) allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the option, credited as fully paid and shall issue to the Grantee (or his custodian agent) share certificates in respect of the Shares so allotted or (ii) make a Cash Payment, as the case may be. With effect from the date two business days before the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Our Board shall procure that the Shares issued upon the exercise of the options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If, for any reason, such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective options shall, with effect from the date of the making of the order by the relevant court and to the extent they had not been exercised at the date such rights were suspended, be restored in full as if such compromise or arrangement had not been proposed by our Company and neither our Company nor our Directors shall be liable for any loss or damage suffered or sustained by any Grantee as a result of the aforesaid suspension of rights.

(e) *Rights on a Voluntary Winding-up*

In the event a notice is given by our Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company prior to the expiry date of the Option Period of the relevant option, our Company shall give notice thereof to all the Grantees on the same day as our Company dispatches to the Shareholders the notice convening the meeting and, notwithstanding any other terms on which the option was granted, each Grantee shall be entitled to exercise the option (to the extent not already exercised) to its full extent or, if our Company shall give the relevant notification, to the extent notified by our Company, by the Grantee giving notice to our Company, such notice to be given not later than three business days prior to the date of the proposed meeting. Our Company shall as soon as possible and in any event no later than one business day immediately prior to the date of the proposed meeting, either (i) allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the option, credited as fully paid and shall issue to the Grantee (or his custodian agent) share certificates in respect of the Shares so allotted or (ii) make a Cash Payment, as the case may be. With effect from the date two business days prior to the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. If, for any reason, the resolution for the voluntary winding-up of our Company is not approved by the Shareholders, the rights of the Grantees to exercise their respective options shall be restored in full, to the extent that they had not been exercised at the date such rights were suspended, as if such resolution for the voluntary winding-up of our Company had not been proposed by our Company and neither our Company nor the Directors shall be liable for any loss or damage suffered or sustained by any Grantee as a result of the aforesaid suspension of rights.

Upon the occurrence of any of the events referred to in paragraphs 10(b) to (e), our Company may in its discretion and notwithstanding the terms of the relevant option also give notice to a Grantee that his option may be exercised at any time within such period as shall be notified by our Company (which period shall not expire after the expiry of the periods for exercising the options referred to in paragraphs 10(b) to (e)) and/or to the extent (not being more than the extent to which it could then be exercised in accordance with its terms) notified by our Company. If our Company gives such notice that any option may be exercised in part only, the balance of the option shall lapse.

11. Lapse of Options

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

- (a) the expiry of the Option Period (subject to the provisions of the Share Option Scheme);
- (b) the date of termination of the Grantee's employment by or services to our Company or any of our subsidiaries for Cause (as defined below);
- (c) the date on which the Grantee: (i) becomes an officer, director, employee, consultant, adviser, partner of, or a stockholder or other proprietor owning more than a 5% interest in, any Competitor (as defined below); or (ii) knowingly performs any act that may confer any competitive benefit or advantage upon any Competitor;
- (d) the expiry of the period for exercising the option referred to in paragraph 10(b) or 10(c) above;
- (e) the date on which the compromise or arrangement referred to in paragraph 10(d) above becomes effective;
- (f) the date of the commencement of the winding-up of our Company;

- (g) the date on which the Grantee (whether intentionally or otherwise) commits a breach of paragraph 9 above;
- (h) the date on which the Grantee is declared bankrupt or enters into any arrangement or composition with his creditors generally; and
- (i) (in respect of such Shares which are subject to vesting condition(s)) the date on which the condition(s) to vesting of the relevant Shares underlying the option are not satisfied.

The Board shall have the right to determine what constitutes Cause, whether the Grantee's employment or services have been terminated for Cause, the effective date of such termination for Cause and whether someone is a Competitor, and such determination by the Board shall be final and conclusive.

If the Grantee's employment by or services to our Company or any of our subsidiaries is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, Disability or non-renewal of the employment, service or other agreement upon its expiration for any reason other than for Cause), the Board shall determine at its absolute discretion and shall notify the Grantee whether the Grantee shall be entitled, following such termination of employment or services, to exercise the option (to the extent not already exercised) in respect of vested and unvested Shares as at the date the Grantee's employment or service is terminated and the period during which such option may be exercised. If the Board determines that such option may not be exercised following such termination of employment or services, such option shall automatically lapse with effect from the date on which the Grantee's employment or services are terminated.

For the purpose of the Share Option Scheme:

- (A) **"Cause"** means, with respect to a Grantee, such event which will entitle our Company and/or any of our subsidiaries to terminate the employment or services of the Grantee with immediate notice without compensation under the relevant agreement or, if it is not otherwise provided for in the relevant agreement, (I) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence, (II) a material breach of any agreement or understanding between the Grantee and our Company and/or any of our subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other agreement, (III) misrepresentation or omission of any material fact in connection with his employment or services, (IV) a material failure to perform the customary duties as an employee or director of our Company and/or any of our subsidiaries, to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or (V) any conduct that is materially adverse to the name, reputation or interests of the Group;
- (B) **"Competitor"** means any governmental unit, corporation, partnership, joint-venture, trust, individual proprietorship, firm or other enterprise (including any of their respective affiliates) that carries on activities for profit or is engaged in or is about to become engaged in any activity of any nature that competes (directly or indirectly) with a product, process, technique, procedure, device or service of our Company or any of our subsidiaries; and
- (C) **"Disability"** means a disability, whether temporary or permanent, partial or total as determined by the Board in its absolute discretion.

12. Cancellation of Options

Our Board may at any time cancel options previously granted to but not yet exercised by a Grantee. Where our Company cancels options and offers new options to the same Grantee, the offer

of such new options may only be made with available options to the extent not yet granted (excluding the cancelled options) within the limits prescribed by paragraph 6 above.

13. Reorganisation of Capital Structure

(a) Adjustments

In the event of an alteration in the capital structure of our Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of our Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company or any of our subsidiaries is a party or in connection with any share option, restricted share or other equity incentive schemes of our Company) whilst any option remains unvested or has vested but not yet been exercised and/or satisfied, such corresponding adjustments (if any) shall be made to:

- (i) the Scheme Mandate Limit;
- (ii) the number or nominal value of Shares underlying the option so far as unexercised or exercised but not yet satisfied; and/or
- (iii) the Exercise Price,

or any combination thereof, provided that:

- (iv) any such adjustments give a Grantee the same proportion of the share capital of our Company as that to which that Grantee was previously entitled; and
- (v) notwithstanding paragraph 13(a)(iv), any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. In respect of any such adjustments, our auditors or an independent financial adviser to our Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

(b) Auditors or Independent Financial Adviser Certification

Our Company shall engage our auditors or an independent financial adviser to the Company to certify in writing, either generally or as regards any particular Grantee, that the adjustments made by our Company satisfy the requirements set out in paragraphs 13(a)(iv) and 13(a)(v) above.

14. Alteration of the Share Option Scheme

Save as provided in the Share Option Scheme, our Board may alter any of the terms of the Share Option Scheme at any time. Those specific provisions of the Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants and changes to the authority of our Board in relation to any alteration of the terms of the Share Option Scheme shall not be made, in either case, without the prior approval of Shareholders in general meeting.

Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any changes to the terms of the options granted must be approved by the Shareholders in

general meeting, except where the alterations or changes take effect automatically under the existing terms of the Share Option Scheme. Our Board's determination as to whether any proposed alteration to the terms and conditions of the Share Option Scheme is material shall be conclusive. The Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

15. Termination of the Share Option Scheme

Our Board may at any time terminate the Share Option Scheme and in such event, no further options may be offered or granted but in all other respects the terms of the Share Option Scheme shall remain in full force and effect in respect of options which are granted during the life of the Share Option Scheme and which are not yet exercised immediately prior to the termination of the operation of the Share Option Scheme.

16. Administration of the Share Option Scheme

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

17. General

An application has been made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the new Shares which may be issued pursuant to the exercise of the options which may be granted pursuant to the Share Option Scheme.

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

Details of the Share Option Scheme, including particulars and movements of the options granted during each financial year of our Company, and our employee costs arising from the grant of the options will be disclosed in our annual report.

E. WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTION FROM THE COMPANIES ORDINANCE

In preparation for the Global Offering, our Company has sought the following waivers from strict compliance with the relevant provisions of the Listing Rules and exemption from the Companies Ordinance:

1. Waiver and exemption in relation to property valuation report

Given that excessive details (such as the location, floor space and purpose of each property of our Group) are required to prepare a valuation report of our Group's property interests and would not be material to investors' investment decision, our Company has applied to the Stock Exchange and the SFC for, and the Stock Exchange and the SFC have granted, respectively, a waiver from strict compliance with Rules 5.01 and 5.06(1) and (2) of, and paragraph 3(a) of Practice Note 16 to, the Listing Rules and an exemption from strict compliance with paragraph 34 of the Third Schedule of the Companies Ordinance in respect of the requirement to prepare and issue a property valuation report on the grounds that:

- (i) our Company's core business is not in property investment or development and therefore additional information provided in the valuation report would be irrelevant to investors;
- (ii) valuation of the Group's properties is immaterial as it only represent in aggregate 3.5% of the Group's total assets and therefore irrelevant to investors;

- (iii) the information contained in this prospectus relating to properties will enable Shareholders and the public to make a properly informed assessment of our Company's securities; and
- (iv) to require our Company to comply with the above requirements would involve the preparation of a property valuation report in respect of 722 properties, which would be unduly burdensome and irrelevant to investors as such disclosure will be up to 100-150 pages in length and the cost involved would be approximately HK\$5,500,000 inclusive of expenses disbursements and it will take 2.5 to 3 months to complete the valuation.

The Stock Exchange and the SFC have, respectively, granted a waiver from strict compliance with Rules 5.01 and 5.06(1) and (2) of, and paragraph 3(a) of Practice Note 16 to, the Listing Rules and an exemption from strict compliance with paragraph 34 of the Third Schedule of the Companies Ordinance on the condition that this prospectus contains the following disclosures:

- (i) an overview of the Group's property interests which will disclose geographical location, number of properties, size, use and whether the properties are owned or leased;
- (ii) a statement:
 - (a) that none of the Group's property interests is individually material to the Group in terms of revenue contribution and rental expense; and
 - (b) of the percentage of the Group's property interests to its total assets as at 30 September 2011; and
- (iii) particulars of this exemption.

For information on our Group's property interests, please refer to the section headed "Business—Property."

2. Waiver in relation to non-exempt continuing connected transactions

Members of the Group have entered into certain transactions which would constitute continuing connected transactions of our Company under the Listing Rules following completion of the Global Offering. We have applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver in relation to certain non-exempt continuing connected transactions under Chapter 14A of the Listing Rules. For further details of such continuing connected transactions and the waiver, please refer to the section headed "Connected Transactions".

3. Waiver in relation to public float requirements

Rule 8.08(1)(a) of the Listing Rules requires that at least 25% of the issuer's total issued share capital must at all times be held by the public. Our Company has applied to the Stock Exchange to request the Stock Exchange to exercise and the Stock Exchange has confirmed that it will exercise its discretion under the Listing Rules to accept a lower public float percentage of the Company subject to (i) the higher of (a) a minimum public float of at least 10% of the Shares; or (b) the percentage of the Shares held by the public immediately following the completion of the Global Offering and the Capitalisation Issue (as increased by the Shares to be sold upon the exercise of the Offer Size Adjustment Option and the Over-allotment Option); (ii) the Company and the Joint Sponsors shall be able to demonstrate satisfactory compliance with Rules 8.08(2) and 8.08(3) of the Listing Rules at the

time of the Listing; (iii) the Company will implement appropriate measures and mechanisms to ensure continual maintenance of the minimum percentage of public float; and (iv) the Company making appropriate disclosure of the lower prescribed percentage of public float in this prospectus and confirm sufficiency of the abovementioned public float in its successive annual reports after the listing.

4. Waiver in relation to clawback mechanism

Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares offered in the Global Offering if certain prescribed total demand levels with respect to the Hong Kong Public Offering are reached. Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with the clawback requirements set out in paragraph 4.2 of Practice Note 18 to the Listing Rules. For further details, please refer to the section headed “Structure of the Global Offering – The Hong Kong Public Offering – Reallocation”.

5. Waiver in relation to the Employee Preferential Offer

Our Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 10.03 of the Listing Rules in relation to the participation by the Eligible Directors (and their associates who are Eligible Employees) in the Employee Preferential Offer on the basis that, amongst other things, the Hong Kong Offer Shares are being offered to the Eligible Directors and their associates who are Eligible Employees on a preferential basis in their capacity as Eligible Employees (rather than in their capacity as directors or associates of directors) and that no preferential treatment will be given to the Eligible Directors (and their associates who are Eligible Employees) in the allocation of the Hong Kong Offer Shares under the Employee Preferential Offer.

F. OTHER INFORMATION

1. Joint Sponsors

The Joint Sponsors have made an application on behalf of our 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 pursuant to the Global Offering. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

2. Miscellaneous

(a) Save as disclosed in this prospectus, within the two years immediately preceding the date of this prospectus:

- (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (iii) neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;

- (iv) no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of the Group;
- (v) no commission has been paid or payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares;
- (vi) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and
- (vii) our Company has no outstanding convertible debt securities.

(b) Our principal register of members will be maintained by our principal registrar, Codan Trust Company (Cayman) Limited, in the Cayman Islands and our Hong Kong register of members will be maintained by our Hong Kong Listed Share Registrar in Hong Kong, Tricor Investor Services Limited. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by the Hong Kong Listed Share Registrar and may not be lodged in the Cayman Islands.

3. Qualification of experts

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

<u>Name</u>	<u>Qualification</u>
Commerce & Finance Law Offices	PRC legal adviser to our Company
Conyers Dill & Pearman	Cayman Islands legal adviser to our Company
Deloitte Touche Tohmatsu	Certified Public Accountants
Goldman Sachs (Asia) L.L.C.	Licensed under the SFO to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance), Type 7 (providing automated trading services) and Type 9 (asset management) regulated activities
The Hongkong and Shanghai Banking Corporation Limited	Registered institution under the SFO to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities and also a licensed bank under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong)
J.P. Morgan Securities (Asia Pacific) Limited	Licensed under the SFO to conduct type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 7 (provided automated trading services) regulated activities
Knight Frank Petty Limited	Property valuer

4. Consents of experts

Each of Commerce & Finance Law Offices, Conyers Dill & Pearman, Deloitte Touche Tohmatsu, Goldman Sachs (Asia) L.L.C., The Hongkong and Shanghai Banking Corporation Limited, J.P. Morgan

Securities (Asia Pacific) Limited and Knight Frank Petty Limited has given and has not withdrawn its consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

5. Promoter

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

6. Financial advisers

Rothschild (Hong Kong) Limited (“**Rothschild**”) and VMS Securities Limited (“**VMS**”) have been appointed by our Company as its financial advisers in respect of the Global Offering. The appointment of Rothschild and VMS was not made pursuant to the requirements of the Listing Rules, and is separate and distinct from the appointment of the Joint Sponsors (which is required to be made by our Company pursuant to the Listing Rules). The Joint Sponsors are responsible for fulfilling their duties as sponsors to our Company’s application for listing on the Stock Exchange, and the Joint Sponsors have not relied on any of the work performed by Rothschild or VMS in fulfilling those duties. The role of Rothschild and VMS in the Global Offering is different from that of the Joint Sponsors, in that they:

- advise and assist our Company on the selection and hiring of working parties, including the Underwriters;
- advise our Company on procedural aspects of the listing process and assist in the coordination of the working parties;
- advise our Company on the structure, timing and marketing strategy of the Global Offering;
- perform analyses on the recommendations given by the Joint Sponsors and the Underwriters; and
- assist our Company in reviewing documents in relation to the Global Offering.

7. Preliminary expenses

The preliminary expenses incurred by our Company were HK\$19,270.00 and were payable by our Company.

8. Binding effect

This prospectus shall have the effect, if an application is made in pursuance of this prospectus, 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 insofar as applicable.

9. 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 prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

10. Selling Shareholder

An aggregate of up to 210,000,000 Shares are to be sold by the Selling Shareholder if the Offer Size Adjustment Option is exercised in full. If the Over-allotment Option is exercised in full, an aggregate of up to 157,000,000 Shares (assuming the Offer Size Adjustment Option is not exercised) or up to 189,000,000 Shares (assuming the Offer Size Adjustment Option is exercised in full) are to be sold by the Selling Shareholder. Particulars of the Selling Shareholder are as follows:

Name: Chow Tai Fook (Holding) Limited
Address: Offshore Incorporations Limited, P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands
Nature of business: Investment holding

As at the date of this prospectus, the Selling Shareholder holds 780 Shares, representing our Company's entire issued share capital. Upon completing of the Global Offering (assuming the Offer Size Adjustment Option and Over-allotment Option are not exercised), the Selling Shareholder will hold 8,950,000,000 Shares or approximately 89.5% of our Company's issued share capital.

11. Addresses of parties involved in the Global Offering**Joint Global Coordinators**

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited
28th Floor, Chater House
8 Connaught Road Central
Hong Kong

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Joint Sponsors

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited
28th Floor, Chater House
8 Connaught Road Central
Hong Kong

Joint Bookrunners*Hong Kong Public Offering:*

Citigroup Global Markets Asia Limited
50th Floor, Citibank Tower, Citibank Plaza
3 Garden Road
Central
Hong Kong

Credit Suisse (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

J.P. Morgan Securities (Asia Pacific) Limited
28th Floor, Chater House
8 Connaught Road Central
Hong Kong

UBS AG, Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

International Offering:

Citigroup Global Markets Asia Limited
50th Floor, Citibank Tower, Citibank Plaza
3 Garden Road
Central
Hong Kong

Credit Suisse (Hong Kong) Limited
Level 88, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon
Hong Kong

Goldman Sachs (Asia) L.L.C.
68/F, Cheung Kong Center
2 Queen's Road Central
Hong Kong

The Hongkong and Shanghai Banking Corporation Limited
1 Queen's Road Central
Hong Kong

J.P. Morgan Securities Ltd.
125 London Wall
London EC2Y 5AJ
United Kingdom

UBS AG, Hong Kong Branch
52/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Financial Advisers

Rothschild (Hong Kong) Limited
16th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

VMS Securities Limited
Suites 4112-14, 41/F
Jardine House
1 Connaught Place
Central
Hong Kong

Legal Advisers to the Company

as to Hong Kong and US laws:

Freshfields Bruckhaus Deringer
11th Floor, Two Exchange Square
8 Connaught Place
Central
Hong Kong

as to Cayman Islands laws:

Conyers Dill & Pearman
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

	<p><i>as to PRC laws:</i></p> <p>Commerce & Finance Law Offices 6F, NCI Tower A12 Jianguomenwai Avenue Chaoyang District Beijing 100022 People's Republic of China</p>
Legal Advisers to the Joint Sponsors and the Underwriters	<p><i>as to Hong Kong and US laws:</i></p> <p>Linklaters 10th Floor, Alexandra House 18 Chater Road Central Hong Kong</p> <p><i>as to PRC laws:</i></p> <p>Haiwen & Partners 21/F, Beijing Silver Tower No.2 Dong San Huan North Road Chaoyang District Beijing 100027 People's Republic of China</p>
Legal Advisers to the Controlling Shareholders	<p><i>as to Hong Kong laws:</i></p> <p>Iu, Lai & Li 20th Floor, Gloucester Tower The Landmark, 11 Pedder Street Central Hong Kong</p>
Auditors and Reporting Accountants	<p>Deloitte Touche Tohmatsu Certified Public Accountants 35/F One Pacific Place 88 Queensway Hong Kong</p>
Receiving Bankers	<p>The Hongkong and Shanghai Banking Corporation Limited 1 Queen's Road Central Hong Kong</p> <p>Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road Kwun Tong, Hong Kong</p> <p>Bank of Communications Co., Ltd. Hong Kong Branch 20 Pedder Street Central, Hong Kong</p> <p>The Bank of East Asia, Limited 10 Des Voeux Road Central Hong Kong</p>