

**1. FURTHER INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES****1.1 Incorporation of the Company**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 1 April 2010. The Company has established its principal place of business in Hong Kong at 19/F, Shatin Galleria, 18-24 Shan Mei Street, Fo Tan, Shatin, New Territories, Hong Kong and has been registered as a non-Hong Kong company under Part XI of the Companies Ordinance since 27 August 2010. In connection with such registration, the Company has appointed Mr. Wong Shik Ho Tony of Flat D, 17/F., Tower V, The Waterfront, No. 1 Austin Road West, Jordan, Kowloon, Hong Kong as the authorised representative of the Company for the acceptance of service of process and notices on behalf of the Company in Hong Kong.

As the Company is incorporated in the Cayman Islands, it operates subject to the Companies Law and to its constitution comprising the Memorandum and the Articles. A summary of various provisions of the Company's constitution and certain relevant aspects of the Companies Law is set out in Appendix IV to this prospectus.

**1.2 Changes in Share Capital of the Company**

As at the date of incorporation of the Company, its authorised share capital was HK\$100,000,000 divided into 1,000,000,000 Shares of HK\$0.10 each.

On 1 April 2010, one subscriber's Share was transferred to Mr. Leung Wah Kan. On the same day, the Company issued and allotted for cash at par one Share to each of Mr. Wong Fong Pak and Mr. Wong Shik Ho Tony respectively.

On 21 December 2011, the Company issued and allotted 330,518,665 Shares in aggregate, all credited as fully paid, to the PC Partner Holdings Shareholders in the manner as set out below, in consideration of the PC Partner Holdings Shareholders transferring their respective shares in PC Partner Holdings, which in aggregate represent the entire issued share capital of PC Partner Holdings, to the Company:

<b>Name of PC Partner Holdings Shareholder</b>	<b>No. of Shares</b>
Perfect Choice	77,500,000
Classic Venture	72,850,000
Wong Shik Ho Tony	51,560,749
Wong Fong Pak	26,915,749
Daniel Kearney	22,475,000
Leung Wah Kan	21,250,499
Ho Nai Nap	19,984,538
Chiu Kan Ho	11,330,500
K.U. INTERNATIONAL LIMITED	6,277,500
Kingdom Right Limited	4,650,000
Lee Wing Chung	3,677,065
Man Wai Hung	3,677,065
Lee Ming Wai David	2,325,000
Lai Shui Wah	1,705,000
Tsang Chiu Po	1,550,000
Tsang Wan Wai	775,000
Fong Wing Fai	387,500
Gong Jian Hua	387,500
Hong Wen Zheng	232,500
Chow Hon Fat	155,000
Chow Pak Keung	155,000
Lau Chee Keung	155,000
Lee Po Yuk Juanne	155,000
Zhang Ji Ming	155,000
Lee Siu Wai	77,500
Liao Yang Lin	77,500
Liu Yao Ming	77,500

Assuming that the Offering becomes unconditional and the issue of the Shares pursuant to the Offering mentioned herein are made, but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option, the issued share capital of the Company will be HK\$41,751,866.8 divided into 417,518,668 Shares fully paid or credited as fully paid. Other than pursuant to the exercise of any options which may be granted under the Pre-IPO Share Option Scheme, the exercise of the Over-allotment Option or the exercise of the general mandate to issue shares referred to in the section headed “1. Further information about the Company and its subsidiaries — 1.3 Written resolutions of all the Shareholders passed on 14 December 2011 and 21 December 2011” in this Appendix V, there is no present intention to issue any part of the authorised but unissued share capital of the Company and, without 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 disclosed herein and under the section headed “1. Further information about the Company and its subsidiaries — 1.4 Corporate reorganisation” in this Appendix V, there has been no alteration in the share capital of the Company since its incorporation.

### **1.3 Written Resolutions of all the Shareholders passed on 14 December 2011 and 21 December 2011**

On 14 December 2011, written resolutions of all the Shareholders were passed pursuant to which conditional on (A) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued upon exercise of the Over-allotment Option or the exercise of any options which may be granted under the Pre-IPO Share Option Scheme); and (B) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by WAG Worldsec, on behalf of the Underwriters) and not being terminated in accordance with their respective terms or otherwise, in each case on or before the date and time specified in the Underwriting Agreements, the rules of the Pre-IPO Share Option Scheme were approved and adopted and the Directors were authorised, at their absolute discretion, to grant options to subscribe for Shares under the Pre-IPO Share Option Scheme and to allot, issue and deal with Shares pursuant to the exercise of subscription rights under any options which may be granted under the Pre-IPO Share Option Scheme and to take all such steps as they consider necessary or desirable to implement the Pre-IPO Share Option Scheme.

On 21 December 2011, written resolutions of all the Shareholders were passed pursuant to which, among others:

- (a) the Directors were authorised to issue and allot, credited as fully paid at premium, a total of 330,518,665 Shares to the PC Partner Holdings Shareholders as consideration for the acquisition by the Company of the entire issued share capital of PC Partner Holdings from the PC Partner Holdings Shareholders;
- (b) conditional on (A) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the exercise of the Over-allotment Option or the exercise of any options which may be granted under the Pre-IPO Share Option Scheme); and (B) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sponsor, on behalf of the Underwriters) and not being terminated in accordance with their respective terms or otherwise, in each case on or before the date and time specified in the Underwriting Agreements:
  - (i) the Offering was approved and the Directors were authorised to allot and issue the Offer Shares pursuant to the Offering; and
  - (ii) the Over-allotment Option was approved and the Directors were authorised to allot and issue any Shares which may be required to be issued if the Over-allotment Option is exercised;
- (c) a general unconditional mandate was given to the Directors to allot, issue and deal with (otherwise than pursuant to (i) a rights issue; (ii) an issue of Shares upon the exercise of the Over-allotment Option or upon the exercise of any subscription or conversion rights attaching to any bonds, warrants, debentures, notes or any securities which carry rights to subscribe for or are convertible into Shares; (iii) an issue of Shares upon the exercise of options which may be granted under the Pre-IPO Share Option Scheme or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers, employees and/or consultants of the Company and/or any of its subsidiaries and/or any other person of Shares or rights to acquire Shares; (iv) any scrip dividend schemes or similar arrangements providing for the allotment

and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles; or (v) a specific authority granted by the Shareholders in general meeting) any unissued Shares with the aggregate nominal amount not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue immediately following completion of the Offering but excluding any Shares that may be issued upon exercise of the Over-allotment Option, and to make or grant offers, agreements and options (including bonds, warrants, debentures, notes and any securities which carry rights to subscribe for or are convertible into Shares) which would or might require the exercise of such power to issue Shares either during or after the end of the Relevant Period (as defined below), such mandate to remain in effect during the period (the “**Relevant Period**”) from the passing of the resolution granting such mandate until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (d) a general unconditional mandate was given to the Directors authorising them to exercise all powers of the Company to repurchase 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, such number of Shares with the aggregate nominal value not exceeding 10% of the aggregate of the total nominal value of the share capital of the Company in issue immediately following completion of the Offering but excluding any Shares that may be issued upon exercise of the Over-allotment Option, such mandate to remain in effect from the passing of the resolution granting such mandate until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or applicable laws of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate (the “**Share Repurchase Mandate**”);
- (e) the general unconditional mandate mentioned in paragraph (c) above was extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the Shares repurchased by the Company pursuant to the Share Repurchase Mandate, provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the share capital of the Company in issue immediately following completion of the Offering but excluding any Shares that may be issued upon exercise of the Over-allotment Option; and
- (f) the Company approved and adopted the Memorandum and the Articles.

#### 1.4 Corporate Reorganisation

The companies comprising the Group underwent a reorganisation to rationalize the corporate structure of the members of the Group in preparation for the Listing. The Reorganisation involved the following:

- (a) On 1 April 2010, the Company was incorporated under the laws of the Cayman Islands with an authorised share capital of HK\$100,000,000 consisting of 1,000,000,000 Shares of HK\$0.10 each. On the same day, one subscriber’s Share was transferred to Mr. Leung Wah Kan, and each of Mr. Wong Fong Pak and Mr. Wong Shik Ho Tony were allotted with one Share.
- (b) By a unanimous written resolution of the shareholders of TDEK dated 8 April 2010 and a written resolution of the directors of PC Partner Holdings dated 15 April 2010, the 900,000 shares of PC Partner Holdings held by TDEK were resolved to be distributed to the 3 individual shareholders of TDEK, pursuant to which 580,000, 290,000 and 30,000 shares in PC Partner Holdings were distributed to Mr. Wong Shik Ho Tony, Mr. Daniel Kearney and Mr. Lee Ming Wai David respectively.

- (c) On 20 April 2010, Mr. Yin and Dongguan Baineng entered into an equity interest transfer agreement pursuant to which Mr. Yin transferred 30% equity interest in Dongguan Tianpei to Dongguan Baineng at the consideration of RMB750,000.
- (d) On 20 April 2010, Mr. Lin and Dongguan Baineng entered into an equity interest transfer agreement pursuant to which Mr. Lin transferred 70% equity interest in Dongguan Tianpei to Dongguan Baineng at the consideration of RMB1,750,000.
- (e) On 11 January 2011, PC Partner International and Mr. Sean Tang entered into a stock purchase agreement pursuant to which Mr. Sean Tang sold 30,000 shares in Zotac Nevada (representing his 40% interest in Zotac Nevada) to PC Partner International at the nominal consideration of US\$1.
- (f) On 11 January 2011, PC Partner International and Mr. Sean Tang entered into a stock purchase agreement pursuant to which PC Partner International sold 45,000 shares in NALA Sales (representing its 60% interest in NALA Sales) to Mr. Sean Tang at the nominal consideration of US\$1.
- (g) On 14 December 2011, Mr. Ho, ASK Group, PC Partner and PC Partner Holdings entered into a sale and purchase agreement pursuant to which Mr. Ho sold 4,000 shares in ASK Group (representing his 40% interest in ASK Group) to PC Partner and in consideration thereof, PC Partner Holdings, as the holding company of PC Partner, allotted and issued 257,865 new shares in PC Partner Holdings to Mr. Ho.
- (h) On 14 December 2011, Mr. Lee, Mr. Man, Manli Group, PC Partner and PC Partner Holdings entered into a sale and purchase agreement pursuant to which Mr. Lee and Mr. Man each sold 2,000 shares in Manli Group (representing their respective 20% interest in Manli Group) to PC Partner and in consideration thereof, PC Partner Holdings, as the holding company of PC Partner, allotted and issued 47,446 new shares in PC Partner Holdings to each of Mr. Lee and Mr. Man respectively.

- (i) On 21 December 2011, the Company entered into a deed for sale and purchase with, inter alia, the PC Partner Holdings Shareholders pursuant to which the Company acquired from the PC Partner Holdings Shareholders in aggregate 4,264,757 shares in PC Partner Holdings (representing in aggregate the entire issued share capital of PC Partner Holdings) and in consideration thereof, the Company allotted and issued in aggregate 330,518,665 Shares to the PC Partner Holdings Shareholders credited as fully paid in such proportion as shall mirror their then shareholding proportion in PC Partner Holdings such that the shareholding structure of PC Partner Holdings is replicated at the Company level.

### 1.5 Changes in Share Capital of Subsidiaries

The Company's subsidiaries are referred to in the accountants' report, the text of which is set out in Appendix I to this prospectus. The following alterations in the share capital or registered capital of the Company's subsidiaries have taken place within the two years preceding the date of this prospectus:

*(a) Dongguan Baineng*

On 6 July 2010, the registered capital of Dongguan Baineng was increased from US\$8,600,000 to US\$12,600,000.

On 5 January 2011, the registered capital of Dongguan Baineng was increased from US\$12,600,000 to US\$18,600,000.

On 29 April 2011, the registered capital of Dongguan Baineng was increased from US\$18,600,000 to US\$21,600,000.



**(b) *PC Partner Holdings***

On 20 December 2011, PC Partner Holdings allotted and issued 257,865 shares credited as fully paid to Mr. Ho as consideration for the acquisition by PC Partner from Mr. Ho of his 40% interests in ASK Group.

On 20 December 2011, PC Partner Holdings allotted and issued 47,446 shares credited as fully paid to each of Mr. Lee and Mr. Man as consideration for the acquisition by PC Partner from each of Mr. Lee and Mr. Man of their respective 20% interests in Manli Group.

**(c) *Zotac Korea***

The allotment to and subscription by, and payment of subscription price by, Zotac Macao for initial shares of 111,964 common shares of KRW 5,000 each in Zotac Korea for cash at par were made on 11 May 2010, and subsequently Zotac Korea was incorporated as of 12 May 2010 with an authorised share capital of KRW 2,239,280,000 divided into 447,856 common shares of KRW 5,000 each.

**(d) *Dongguan Tianpei***

On 15 March 2011, the registered capital of Dongguan Tianpei was increased from RMB2,500,000 to RMB5,000,000.

On 25 July 2011, the registered capital of Dongguan Tianpei was increased from RMB5,000,000 to RMB15,000,000.

On 11 November 2011, the registered capital of Dongguan Tianpei was increased from RMB15,000,000 to RMB17,500,000.

Save as aforesaid, there has been no alteration in the share capital of the subsidiaries of the Company within the two years preceding the date of this prospectus.

## 2. REPURCHASE BY THE COMPANY OF ITS OWN SECURITIES

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

### 2.1 Provisions of the Listing Rules

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

#### *(1) Shareholders' Approval*

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

*Note:* Pursuant to a written resolution of all the Shareholders passed on 21 December 2011, the Share Repurchase Mandate was given to the Directors authorising any repurchase by the Company of Shares as described above in the section headed "1. Further information about the Company and its subsidiaries — 1.3 Written resolutions of all the Shareholders passed on 14 December 2011 and 21 December 2011" in this Appendix V.

#### *(2) Source of Funds*

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands.

## 2.2 Exercise of the Share Repurchase Mandate

Exercise in full of the Share Repurchase Mandate, on the basis of 417,518,668 Shares in issue immediately after completion of the Offering (taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option and any options granted under the Pre-IPO Share Option Scheme), would result in up to 41,751,866 Shares being repurchased by the Company during the period up to the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles and the applicable laws of the Cayman Islands to be held; or
- (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing the Share Repurchase Mandate.

## 2.3 Reasons for Repurchases

Repurchases of Shares will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

## 2.4 Funding of Repurchases

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands. Pursuant to the Share Repurchase Mandate, repurchases will be made out of funds of the Company legally permitted to be utilised in this connection, including profits of the Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Law, out of capital. In the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, subject to the Companies Law, out of capital of the Company. The Company may not repurchase 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.

## 2.5 General

No repurchase of Shares had been made by the Company since its incorporation.

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

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Share Repurchase Mandate in accordance with the Listing Rules, the Memorandum, the Articles and the applicable laws of the Cayman Islands in force from time to time.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention, if the Share Repurchase Mandate is approved by the Shareholders, to sell any Shares to the Company or its subsidiaries.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell any Shares held by he/she/it to the Company, or has undertaken not to do so, if the Share Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purposes of the Code on Takeovers and Mergers (the "Takeovers Code"). As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of the Company and become(s) 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 other consequence which may arise under the Takeovers Code as a result of any repurchases pursuant to the Share Repurchase Mandate.

### 3. FURTHER INFORMATION ABOUT THE BUSINESS

#### 3.1 Summary of Material Contracts

The following contracts (not being contracts in the ordinary course of business of the Group) 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) an equity interest transfer agreement dated 20 April 2010 entered into between Mr. Yin and Dongguan Baineng pursuant to which Mr. Yin agreed to transfer 30% equity interest in Dongguan Tianpei to Dongguan Baineng at the consideration of RMB750,000;
- (b) an equity interest transfer agreement dated 20 April 2010 entered into between Mr. Lin and Dongguan Baineng pursuant to which Mr. Lin agreed to transfer 70% equity interest in Dongguan Tianpei to Dongguan Baineng at the consideration of RMB1,750,000;
- (c) a supplemental agreement dated 11 May 2010 entered into between PC Partner, Mr. Ho and ASK Group pursuant to which the parties agreed to amend the price fixing method for PC Partner to acquire Mr. Ho's 40% interest in ASK Group prior to Listing as set out in a shareholders' agreement dated 12 October 2009 between PC Partner, Mr. Ho and ASK Group;
- (d) a supplemental agreement dated 11 May 2010 entered into between PC Partner, Mr. Man, Mr. Lee and Manli Group pursuant to which the parties agreed to amend the price fixing method for PC Partner to acquire Mr. Man's and Mr. Lee's respective 20% interest in Manli Group prior to Listing as set out in a shareholders' agreement dated 28 October 2009 between PC Partner, Mr. Man, Mr. Lee and Manli Group;
- (e) a termination agreement dated 19 August 2010 entered into between Dongguan Baiye and PC Partner terminating a processing agreement (Dong Fu Xie No. (1997) 008), releasing machinery supplied by PC Partner to Baineng Factory and transferring the same to Dongguan Baineng;

- (f) a stock purchase agreement dated 11 January 2011 entered into between PC Partner International and Mr. Sean Tang pursuant to which Mr. Sean Tang agreed to sell 30,000 shares of common stock in Zotac Nevada to PC Partner International at the consideration of US\$1;
- (g) a stock purchase agreement dated 11 January 2011 entered into between PC Partner International and Mr. Sean Tang pursuant to which PC Partner International agreed to sell 45,000 shares of common stock in NALA Sales to Mr. Sean Tang at the consideration of US\$1;
- (h) a sale and purchase agreement dated 14 December 2011 entered into between Mr. Ho, ASK Group, PC Partner and PC Partner Holdings pursuant to which Mr. Ho agreed to transfer 4,000 shares in ASK Group to PC Partner at the consideration of HK\$87,831,960 to be satisfied by the allotment and issue by PC Partner Holdings of 257,865 new shares in PC Partner Holdings to Mr. Ho;
- (i) a deed of indemnity dated 14 December 2011 entered into between Mr. Ho, PC Partner Holdings, PC Partner and ASK Group for itself and as trustee for Innovision Multimedia pursuant to which Mr. Ho has given certain indemnities in favour of PC Partner Holdings, PC Partner, ASK Group and Innovision Multimedia to the extent as to his 40% shareholding in ASK Group as at the date of such deed;
- (j) a sale and purchase agreement dated 14 December 2011 entered into between Mr. Lee, Mr. Man, Manli Group, PC Partner and PC Partner Holdings, pursuant to which Mr. Lee and Mr. Man each agreed to sell 2,000 shares in Manli Group to PC Partner and at the aggregate consideration of HK\$32,321,148 to be satisfied by the allotment and issue by PC Partner Holdings of 47,446 new shares in PC Partner Holdings to each of Mr. Lee and Mr. Man respectively;
- (k) a deed of indemnity dated 14 December 2011 entered into between Mr. Man, Mr. Lee, PC Partner Holdings, PC Partner and Manli Group pursuant to which each of Mr. Man and Mr. Lee has given certain indemnities in favour of PC Partner Holdings, PC Partner and Manli Group to the extent as to his respective 20% shareholding in Manli Group as at the date of such deed;

- (l) a deed dated 21 December 2011 entered into between Wong Shik Ho Tony, Wong Fong Pak, Leung Wah Kan, Lai Shui Wah, Tsang Chiu Po, Tsang Wan Wai, Fong Wing Fai, Gong Jian Hua, Hong Wen Zheng, Chow Hon Fat, Chow Pak Keung, Lau Chee Keung, Lee Po Yuk Juanne, Zhang Ji Ming, Lee Siu Wai, Liao Yang Lin, Liu Yao Ming and PC Partner Holdings (the “Waiver Parties”) pursuant to which, inter alia, each of the parties to such deed unconditionally and irrevocably waived (i) all rights which it may have in connection with or relating to the shares of PC Partner Holdings held by the Waiver Parties, (ii) all restrictions conferred upon the other Waivers Parties in connection with or relating to the shares of PC Partner Holdings held by the Waiver Parties, and (iii) all obligations which the other parties to such deed may have in connection with or relating to the shares of PC Partner Holdings held by the Waiver Parties;
- (m) a deed for sale and purchase dated 21 December 2011 entered into between (i) the PC Partner Holdings Shareholders as vendors, (ii) Classic Venture, Perfect Choice, Mrs. Ho Wong Mary Mee-Tak, Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak, Mr. Leung Wah Kan, Mr. Ho and Mr. Man as warrantors and (iii) the Company as purchaser, pursuant to which the Company agreed to acquire in aggregate 4,264,757 shares in PC Partner Holdings from the PC Partner Holdings Shareholders in consideration of the allotment and issue by the Company of in aggregate 330,518,665 new Shares credited as fully paid to the PC Partner Holdings Shareholders as follows:

<b>Name of PC Partner Holdings Shareholder</b>	<b>No. of Shares</b>
Perfect Choice	77,500,000
Classic Venture	72,850,000
Wong Shik Ho Tony	51,560,749
Wong Fong Pak	26,915,749
Daniel Kearney	22,475,000
Leung Wah Kan	21,250,499
Ho Nai Nap	19,984,538
Chiu Kan Ho	11,330,500
K.U. INTERNATIONAL LIMITED	6,277,500
Kingdom Right Limited	4,650,000
Lee Wing Chung	3,677,065
Man Wai Hung	3,677,065
Lee Ming Wai David	2,325,000
Lai Shui Wah	1,705,000
Tsang Chiu Po	1,550,000
Tsang Wan Wai	775,000
Fong Wing Fai	387,500
Gong Jian Hua	387,500
Hong Wen Zheng	232,500
Chow Hon Fat	155,000

Name of PC Partner Holdings Shareholder	No. of Shares
Chow Pak Keung	155,000
Lau Chee Keung	155,000
Lee Po Yuk Juanne	155,000
Zhang Ji Ming	155,000
Lee Siu Wai	77,500
Liao Yang Lin	77,500
Liu Yao Ming	77,500

- (n) a deed of non-competition dated 21 December 2011 executed by the Controlling Shareholders in favour of the Company, particulars of which are set out in the section headed “Relationship with Controlling Shareholders — Non-Competition Undertaking” in this prospectus;
- (o) the Public Offer Underwriting Agreement dated 28 December 2011 entered into by, among others, the Company, the Controlling Shareholders, the Sponsor, Luen Fat and the Public Offer Underwriters, details of which are set out in the section headed “Underwriting” in this prospectus; and
- (p) a deed of indemnity dated 28 December 2011 entered into between the Controlling Shareholders, Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak, Mr. Leung Wah Kan and the Company for itself and as trustee for its subsidiaries pursuant to which the Controlling Shareholders, Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak and Mr. Leung Wah Kan have given certain indemnities in favour of the Group containing, inter alia, the indemnities referred to in the paragraph headed “Estate duty, tax and other indemnity” under the section headed “Other Information” in this Appendix.








## 4. INTELLECTUAL PROPERTY OF THE GROUP

## 4.1 Intellectual property rights

- (a) As at the Latest Practicable Date, the Group had registered the following trademarks:

Trademark	Name of Registrant	Place of Registration	Trademark No.	Class	Effective period of registration
	PC Partner	Hong Kong	300484056	9	25 August 2005 to 24 August 2015
	PC Partner	Australia	1073738	9	5 September 2005 to 5 September 2015
	PC Partner	European Union	004961661	9	2 March 2006 to 2 March 2016
	PC Partner	Taiwan	01213767	9	16 June 2006 to 15 June 2016
	PC Partner	US	3346604	9	4 December 2007 to 4 December 2017
	PC Partner	PRC	4891205	9	14 December 2010 to 13 December 2020
	Zotac Macao (Note 1)	Hong Kong	300484065	9	25 August 2005 to 24 August 2015
	Zotac Macao (Note 1)	Australia	1073732	9	5 September 2005 to 5 September 2015
	Zotac Macao (Note 1)	European Union	004927968	9	21 February 2006 to 21 February 2016
	Zotac Macao (Note 1)	Taiwan	01213766	9	16 June 2006 to 15 June 2016

Trademark	Name of Registrant	Place of Registration	Trademark No.	Class	Effective period of registration
	Zotac Macao (Note 1)	US	3296051	9	25 September 2007 to 25 September 2017
	Zotac Macao (Note 1)	PRC	4891206	9	7 September 2008 to 6 September 2018
	Zotac Macao (Note 1)	Canada	TMA691,558	(Note 2)	6 July 2007 to 6 July 2022
<b>ZOTAC</b>	Zotac Macao	Hong Kong	301250441	9	3 December 2008 to 2 December 2018
<b>ZOTAC</b>	Zotac Macao	Australia	1275416	9	4 December 2008 to 4 December 2018
<b>ZOTAC</b>	Zotac Macao	European Union	007437891	9	3 December 2008 to 3 December 2018
<b>ZOTAC</b>	Zotac Macao	New Zealand	799941	9	4 December 2008 to 4 December 2018
<b>ZOTAC</b>	Zotac Macao	Switzerland	585982	9	24 December 2008 to 24 December 2018
<b>ZOTAC</b>	Zotac Macao	Russia	400644	9	24 December 2008 to 24 December 2018
<b>ZOTAC</b>	Zotac Macao (Note 3)	Turkey	2008 73370	9	25 December 2008 to 25 December 2018
<b>ZOTAC</b>	Zotac Macao	Ukraine	125963	9	5 January 2009 to 5 January 2019
<b>ZOTAC</b>	Zotac Macao	South Africa	2009/00284	9	5 January 2009 to 4 January 2019
<b>ZOTAC</b>	Zotac Macao	Israel	218213	9	6 January 2009 to 6 January 2019
<b>ZOTAC</b>	Zotac Macao	Indonesia	IDM000261156	9	7 January 2009 to 7 January 2019

Trademark	Name of Registrant	Place of Registration	Trademark No.	Class	Effective period of registration
<b>ZOTAC</b>	Zotac Macao	Croatia	Z20090055	9	12 January 2009 to 12 January 2019
<b>ZOTAC</b>	Zotac Macao	Thailand	Kor320330	9	19 January 2009 to 18 January 2019
<b>ZOTAC</b>	Zotac Macao	India	1776063	9	20 January 2009 to 20 January 2019
<b>ZOTAC</b>	Zotac Macao	Malaysia	09050015	9	22 January 2009 to 22 January 2019
<b>ZOTAC</b>	Zotac Macao	Iran	183275	9	28 January 2009 to 28 January 2019
<b>ZOTAC</b>	Zotac Macao	Japan	5270394	9	2 October 2009 to 2 October 2019
<b>ZOTAC</b>	Zotac Macao	Taiwan	01385497	9	16 November 2009 to 15 November 2019
<b>ZOTAC</b>	Zotac Macao	The Philippines	4-2009-000958	9	18 February 2010 to 18 February 2020
<b>ZOTAC</b>	Zotac Macao	US	3805408	9	22 June 2010 to 22 June 2020
<b>ZOTAC</b>	Zotac Macao	South Korea	40-0829116	9	7 July 2010 to 7 July 2020
<b>ZOTAC</b>	Zotac Macao (Note 3)	PRC	7132740	9	14 October 2010 to 13 October 2020
<b>ZOTAC</b>	Zotac Macao	Canada	TMA802,846	(Note 2)	22 July 2011 to 22 July 2026
<b>ZOTAC</b>	Zotac Macao (Note 3)	Brazil	830163603	9	16 August 2011 to 16 August 2021
	Manli Group	Singapore	T0901368A	9	10 February 2009 to 10 February 2019
	Manli Group	Taiwan	01377774	9	16 September 2009 to 15 September 2019

Trademark	Name of Registrant	Place of Registration	Trademark No.	Class	Effective period of registration
	Manli Group	Malaysia	09003270	9	2 March 2009 to 2 March 2019
	Manli Group	South Korea	40-0827469	9	23 June 2010 to 23 June 2020
	Manli Group	Indonesia	IDM000271265	9	17 February 2009 to 17 February 2019
	Manli Group	The Philippines	4-2009-002006	9	9 October 2009 to 9 October 2019
	Innovision Multimedia	Hong Kong	200100548	9	3 February 2000 to 3 February 2017
	Innovision Multimedia	European Union	001608504	9	31 March 2000 to 31 March 2020
	Innovision Multimedia	Hong Kong	2002B16085	9	9 November 2000 to 9 November 2017
	Innovision Multimedia	European Union	001982743	9	24 November 2000 to 24 November 2020
映众	Innovision Multimedia	PRC	4003125	9	14 May 2006 to 13 May 2016
 <b>iChill</b>	Innovision Multimedia	Hong Kong	300820773	9	26 February 2007 to 25 February 2017
 <b>iChill</b>	Innovision Multimedia	European Union	009304858	9	10 August 2010 to 10 August 2020

Trademark	Name of Registrant	Place of Registration	Trademark No.	Class	Effective period of registration
	Zotac Macao	US	3,500,742	9	16 September 2008 to 16 September 2018
<b>N I T R O</b>	Zotac Macao	European Union	007393861	9	14 November 2008 to 14 November 2018
<b>FREEZER</b>	Innovision Multimedia	Hong Kong	301285245	9	11 February 2009 to 10 February 2019
	Zotac Macao	US	3,632,050	9	2 June 2009 to 2 June 2019
	Innovision Multimedia	Hong Kong	200304400	9	10 July 2002 to 10 July 2019
	Innovision Multimedia	European Union	002804615	9	10 July 2002 to 10 July 2012
	Zotac Macao	European Union	008617888	9	15 October 2009 to 15 October 2019
A. 	Zotac Macao (Note 3)	Hong Kong	301589743	9	16 April 2010 to 15 April 2020
B. 					
	Zotac Macao (Note 3)	PRC	8177849	9	7 April 2011 to 6 April 2021
<b>Vapor Freeze</b>	Innovision Multimedia	Hong Kong	301634012	9	8 June 2010 to 7 June 2020

## Notes:

- The name of the registrant of this trademark has been filed as “Zotac International (MCO) Ltd.” instead of the official name of Zotac Macao (being “Zotac International (Macao Commercial Offshore) Limited”). Since this trademark is either superseded by a new trademark or was only used in relation to discontinued products, the Group does not intend to rectify the registration of the same. Please refer to the section headed “Risk factors — The Group may not be able to protect its patents and non-patented intellectual property rights, or the Group may be subject to claims for the infringement of intellectual property rights of others” for the risks associated with the use of the abbreviated name.

2. The certificate of registration in respect of this trademark does not specify the class in which the trademark was registered. However, the specification of the goods and/or services as set out in the certificate of registration is similar to that stated in the certificate of registrations of the same trademark in other countries.
3. The name of the registrant of this trademark has been filed as “Zotac International (MCO) Ltd.” instead of the official name of Zotac Macao (being “Zotac International (Macao Commercial Offshore) Limited”) and the Company has already applied to the relevant trademark authority to rectify the name. Please refer to the section headed “Risk factors — The Group may not be able to protect its patents and non-patented intellectual property rights, or the Group may be subject to claims for the infringement of intellectual property rights of others” for the risks relating to the failure to rectify the name of registrant for this trademark.
4. Class 9 refers to classification 9 under the 9th edition of the NICE Classification by the World Intellectual Property Organization (“WIPO”) which includes scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus. Further details of the NICE Classification can be found at the website of WIPO (<http://www.wipo.int/classifications/en>).

- (b) As at the Latest Practicable Date, we had the following pending trademarks:

Trademark	Name of Applicant	Place of Application	Class	Date of Application	Application No.
	PC Partner	PRC	9	16 July 2010	8485704
	Zotac Macao	Argentina	9	21 January 2009	2889224
	Zotac Macao	United Arab Emirates	9	3 March 2009	126609
	Zotac Macao	Saudi Arabia	9	18 December 2010	162852
	Zotac Macao (Note 2)	US	9	15 October 2009	77849954

Trademark	Name of Applicant	Place of Application	Class	Date of Application	Application No.
	Zotac Macao (Note 1)	PRC	9	31 December 2009	7961396
	Zotac Macao	European Union	9	19 April 2010	009035544
	Zotac Macao (Note 1)	US	9	16 April 2010	85016187
	Zotac Macao	South Korea	9	31 August 2010	40-2010-0045301
	Zotac Macao	Saudi Arabia	9	18 December 2010	162853
	Zotac Macao (Note 1)	United Arab Emirates	9	12 October 2010	148111

## Notes:

1. The name of applicant in the application form for this trademark has been filed as “Zotac International (MCO) Ltd.” instead of the official name of Zotac Macao (being “Zotac International (Macao Commercial Offshore) Limited”) and the Company has already applied to the relevant trademark authority to rectify the name. Please refer to the section headed “Risk factors — The Group may not be able to protect its patents and non-patented intellectual property rights, or the Group may be subject to claims for the infringement of intellectual property rights of others” for the risks relating to the failure to rectify the name of applicant for this trademark.
2. The name of applicant in the application form for this trademark has been filed as “Zotac International (MCO) Ltd.” instead of the official name of Zotac Macao (being “Zotac International (Macao Commercial Offshore) Limited”). Since this trademark is either superseded by a new trademark or was only used in relation to discontinued products, the Group does not intend to rectify the name of applicant of this application. Please refer to the section headed “Risk factors — The Group may not be able to protect its patents and non-patented intellectual property rights, or the Group may be subject to claims for the infringement of intellectual property rights of others” for the risks associated with the use of the abbreviated name.
3. Class 9 refers to classification 9 under the 9th edition of the NICE Classification by the World Intellectual Property Organization (“WIPO”) which includes scientific, nautical, surveying, electric, photographic, cinematographic, optical, weighing, measuring, signalling, checking (supervision), life-saving and teaching apparatus and instruments; apparatus for recording, transmission or reproduction of sound or images; magnetic data carriers, recording discs; automatic vending machines and mechanisms for coin-operated apparatus; cash registers, calculating machines, data processing equipment and computers; fire-extinguishing apparatus. Further details of the NICE Classification can be found at the website of WIPO (<http://www.wipo.int/classifications/en>).

4. As at the Latest Practicable Date, the Group has not received any notification from any of the intellectual property departments where the Group has pending trademarks applications that there is any legal impediments for the Group to complete registration of unregistered trademarks outstanding for more than 3 years.

- (c) As at the Latest Practicable Date, the Group had registered the following patents:

Patent	Name of Registrant	Place of Registration	Type	Registration No.	Period of Validity
改良式風扇軸心	PC Partner	Taiwan	Utility	M383647	1 July 2010 to 17 January 2020
改良式風扇軸心	Dongguan Baineng	PRC	Utility	ZL 2010 2 0108584.1	28 January 2010 to 27 January 2020
具防塵機制的扇輪	PC Partner	Taiwan	Utility	M383649	1 July 2010 to 24 January 2020
具有防塵機制的扇輪	Dongguan Baineng	PRC	Utility	ZL 2010 2 0116120.5	2 February 2010 to 1 February 2020
Mini PCI-E 設備的安裝結構	Dongguan Baineng	PRC	Utility	ZL 2010 2 0134801.4	17 March 2010 to 16 March 2020
Mini PCI-E 設備的自適應安裝結構	Dongguan Baineng	PRC	Utility	ZL 2010 2 0134809.0	17 March 2010 to 16 March 2020
Mini PCI-E 設備的活動式安裝結構	Dongguan Baineng	PRC	Utility	ZL 2010 2 0134791.4	17 March 2010 to 16 March 2020
微型計算機 (Zotac MAG-III)	Zotac Macao	PRC	Industrial Design	ZL 2010 3 0175504.X	6 May 2010 to 5 May 2020
一種SMT信息快速核對系統	Dongguan Baineng	PRC	Utility	ZL 2010 2 0296885.1	19 August 2010 to 18 August 2020
Computers	Zotac Macao	European Union	Community Design	001942830-0001	4 November 2011 to 4 November 2016



- (d) As at the Latest Practicable Date, the Group had the following pending patent applications and the recordal of assignment of such patents were still pending:

Patent	Name of Applicant	Place of Application	Type	Application No.	Date of Application
Mounting Structure for Mini PCI-E Equipment and a Computer using the same	Dongguan Baineng	US	Utility	13/041,861	7 March 2011
迷你計算機	Dongguan Baineng	PRC	Industrial Design	201130390445.2	28 October 2011
一種筆記本電腦	Dongguan Baineng	PRC	Utility	201120444021.4	10 November 2011
自有通風散熱功能的筆記本電腦	Dongguan Baineng	PRC	Utility	201120443994.6	10 November 2011
具有人體工程學的筆記本電腦	Dongguan Baineng	PRC	Utility	201120443770.5	10 November 2011

- (e) As at the Latest Practicable Date, the Group had registered the following domain names:

Registrant	Domain Name	Expiry Date
PC Partner	pcpartner.com	9 April 2015
PC Partner	dg-pcpartner.com	24 July 2012
PC Partner	dg-pcpartner.com.cn	24 July 2012
PC Partner	ismart-tech.com	4 November 2013
PC Partner	zotac-china.com	21 April 2014
PC Partner	zotacchina.com	21 April 2014
Dongguan Baineng	索泰.中国/索泰.cn	5 July 2014
Dongguan Baineng	索泰顯卡.中国/索泰顯卡.cn/ 索泰显卡.中国/索泰显卡.cn	11 April 2014
PC Partner	索泰显卡.com	11 April 2014
Dongguan Baineng	索泰科技.中国/索泰科技.cn	11 April 2014
PC Partner	索泰科技.com	11 April 2014
PC Partner	pcpelectronics.com	18 May 2014
PC Partner	zotac.at	19 February 2014
PC Partner	zotac.be	26 March 2014
PC Partner	zotac.ch	29 March 2014
PC Partner	zotac.co.ee	26 March 2012
PC Partner	zotac.co.kr	29 March 2014

Registrant	Domain Name	Expiry Date
PC Partner	zotac.co.nz	29 March 2014
PC Partner	zotac.com.hk	29 March 2014
PC Partner	zotac.com.tw	21 March 2014
PC Partner	zotac.cz	2 April 2014
Zotac Macao	zotac.de	3 October 2012
PC Partner	zotac.es	21 March 2014
PC Partner	zotac.fr	10 July 2012
PC Partner	zotac.gr	29 March 2013
PC Partner	zotac.hk	29 March 2014
PC Partner	zotac.hu	23 April 2014
PC Partner	zotac.it	6 May 2014
PC Partner	zotac.jp	29 March 2014
PC Partner	zotac.li	22 April 2012
PC Partner	zotac.mobi	3 April 2014
PC Partner	zotac.nl	23 March 2014
PC Partner	zotac.ph	29 March 2014
PC Partner	zotac.pl	29 March 2014
PC Partner	zotac.ro	28 March 2013
PC Partner	zotac.sg	29 March 2013
PC Partner	zotac.tw	19 April 2014
PC Partner	zotac.us	28 March 2014
PC Partner	zotac.tv	11 July 2013
PC Partner	zotac.vn	1 April 2012
PC Partner	pcphldg.com	1 February 2012
PC Partner	pcphldg.com.hk	1 February 2012
PC Partner	pcphldg.com.hk	1 February 2012
PC Partner	excltl.com	7 November 2012
PC Partner	zotac.ae	27 April 2013
ASK Group	inno3d.com	21 July 2012
ASK Group	ivmm.com	7 February 2012
ASK Group	force3d.com	15 January 2013
ASK Group	inno4d.com	14 January 2012
ASK Group	one-3d.com	14 January 2012
ASK Group	ask-3d.com	18 December 2012
ASK Group	ask.com.hk	15 April 2013
ASK Group	ask.hk	15 April 2013
ASK Group	innodv.com	24 April 2012
ASK Group	innoax.com	3 August 2012
ASK Group	inno3d.hk	11 May 2015
ASK Group	inno3d.com.hk	1 November 2015

Registrant	Domain Name	Expiry Date
Zotac Macao	zotac.biz	19 March 2012
Zotac Macao	zotac.info	20 March 2012
Zotac Macao	zotac.net	20 March 2012
Zotac Macao	zotac.org	20 March 2012
Zotac Macao	zotaonline.com	20 March 2012
Zotac Macao	zotacstore.com	20 March 2012
Zotac Macao	zotac.com.tr	30 March 2012
Zotac Macao	pcpartner-zotac.com	16 April 2012
Zotac Macao	zotac.dk	25 July 2012
Zotac Macao	zotac.eu	31 July 2012
Zotac Macao	zotac.in	29 March 2014
Zotac Macao	zotac.com	1 April 2015
Dongguan Tianpei	dg-tianpei.com	30 June 2013
Manli Group	manli.com	17 January 2013
Zotac Korea	zotackor.co.kr	29 March 2013

## 5. FURTHER INFORMATION ABOUT DIRECTORS, SENIOR MANAGEMENT AND STAFF

### 5.1 Interests and Short Positions of Directors in the Share Capital of the Company

#### (i) *Interest in Shares*

Immediately following completion of the Offering (taking no account of Shares which may be issued pursuant to the exercise of the Over-allotment Option), the interests or short positions of each of the Directors and the chief executives in the share capital, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed, 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 he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which, once the Shares are listed, will be required pursuant to the Model Code for Securities Transactions by Directors of Listed

Companies contained in the Listing Rules to be notified to the Company and the Stock Exchange are set out as follows:

Name	Long/Short position	Type of interest	Number of Shares immediately after completion of the Offering but without taking into account the exercise of the Over-allotment Option	Approximate percentage of shareholding in the Company immediately after completion of the Offering but without taking into account the exercise of the Over-allotment Option
Mrs. Ho Wong Mary Mee-Tak ( <i>Note</i> )	Long position	Interest in controlled corporations	132,350,000	31.70%
Mr. Wong Shik Ho Tony	Long position	Beneficial owner	51,560,750	12.35%
Mr. Wong Fong Pak	Long position	Beneficial owner	26,915,750	6.45%
Mr. Leung Wah Kan	Long position	Beneficial owner	21,250,500	5.09%
Mr. Ho Nai Nap	Long position	Beneficial owner	19,984,538	4.79%
Mr. Man Wai Hung	Long position	Beneficial owner	3,677,065	0.88%

*Note:* These 132,350,000 Shares are owned as to 54,850,000 Shares by Classic Venture and 77,500,000 Shares by Perfect Choice. As the entire issued share capital of both Classic Venture and Perfect Choice are owned by Mrs. Ho Wong Mary Mee-Tak, Mrs. Ho Wong Mary Mee-Tak is deemed to be interested in these 132,350,000 Shares under the SFO.

(ii) *Underlying Shares with respect to options granted under to the Pre-IPO Share Option Scheme*

Name of Director	Number of underlying Shares	Approximate percentage of shareholding in the Company immediately after completion of the Offering but without taking into account the exercise of the Over-allotment Option
Mr. Wong Shik Ho Tony	4,290,000	1.03%
Mr. Leung Wah Kan	3,300,000	0.79%
Mr. Wong Fong Pak	3,300,000	0.79%
Mr. Ho Nai Nap	1,200,000	0.29%
Mr. Man Wai Hung	1,200,000	0.29%

## 5.2 Interest in suppliers and customers of the Group

As at the Latest Practicable Date, so far as the Directors are aware, no Director or their respective associate or Shareholder (which to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) had any interest in the five largest suppliers or customers of the Group.

## 5.3 Directors' Service Contracts and Remuneration

### (a) *Directors' Service Contracts*

Each of the executive Directors had entered into a service contract or contract of employment with a member of the Group, the principal terms of which are set out below:

Name	Member of the Group	Position	Term	Termination
Mr. Wong Shik Ho Tony	PC Partner	Director	From 1 August 1997 until termination by either party	2 months' written notice
Mr. Wong Fong Pak	PC Partner	Director	From 1 August 1997 until termination by either party	2 months' written notice

Name	Member of the Group	Position	Term	Termination
Mr. Leung Wah Kan	PC Partner	Director	From 1 August 1997 until termination by either party	2 months' written notice
Mr. Man Wai Hung	Manli Group	Managing Director	From 1 April 2008 until termination by either party	1 month's written notice or payment in lieu of notice
Mr. Ho Nai Nap	ASK Group	General Manager	From 16 February 2009 until termination by either party	1 month's written notice

The current basic salary for each of Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak, Mr. Leung Wah Kan, Mr. Man and Mr. Ho is HK\$2,856,600 per annum, HK\$2,670,300 per annum, HK\$2,732,400 per annum, HK\$1,320,000 per annum and HK\$1,260,000 per annum respectively. Mr. Leung Wah Kan is also entitled to a travelling allowance of HK\$2,500 per month and each of Mr. Ho and Mr. Man is entitled to a year-end bonus equivalent to 1 month's salary.

For the purpose of the Listing, each of the executive Directors has entered into a termination agreement with PC Partner, Manli Group or ASK Group to terminate the above service contracts or contracts of employment with effect from the Listing Date.

Each of the executive Directors has also entered into a new service agreement with the Company for a term of three years commencing from the Listing Date. Particulars of the service agreements of the Directors, except as indicated, are in all material respects the same and are summarized below:

- (i) Each service agreement is of an initial term of three years commencing from the Listing Date unless terminated in accordance with the terms of the agreement. Under the agreement, either party may terminate the agreement at any time by giving to the other not less than 3 months' prior notice. The Company

may also terminate the service agreement without notice if the relevant executive Director is guilty of, among others, dishonesty or grave misconduct or willful default or neglect in the discharge of his duties, becomes bankrupt or of unsound mind, be guilty of conduct tending to bring himself or any companies in the Group into disrepute or be prohibited by law from fulfilling his duties under the service agreement.

- (ii) For the first year from the Listing Date, the annual salary of each of Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak, Mr. Leung Wah Kan, Mr. Ho and Mr. Man shall be HK\$2,856,600, HK\$2,670,300, HK\$2,732,400, HK\$1,560,000 and HK\$1,500,000 respectively and shall accrue on a day to day basis, such salary to be subject to review from time to time by the Board and the remuneration committee of the Board and to be decided by the Board.
- (iii) Mr. Leung Wah Kan is entitled to a China working allowance of HK\$2,500 per month, such allowance to be subject to review from time to time by the Board and the remuneration committee of the Board and to be decided by the Board.
- (iv) The Company shall provide a residential premises for Mr. Wong Shik Ho Tony to be used by him as director's quarters during his term of appointment as an executive Director.
- (v) Each of the executive Directors is further entitled to (1) an end-of-year bonus in an amount equal to the Director's then monthly salary to be payable on 28 December of each year provided that if the Director's appointment is terminated prior to 28 December of any year, he shall not be entitled to the end-of-year bonus for that year; (2) a discretionary performance bonus as may be determined by the Board at its absolute discretion having regard to the performance of the Group and the performance of the Director, subject to the review and approval of the remuneration committee of the Board; and (3) a discretionary profit-sharing bonus as may be determined by the Board at its absolute discretion having regard to the performance of the Director and the Group's consolidated results (after taxation and minority interests), subject to the review and approval of the remuneration committee of the Board.

- (vi) Each of the executive Directors shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board or any committee of the Board regarding the amount of annual salary, China working allowance (in the case of Mr. Leung Wah Kan), end-of-year bonus, discretionary performance bonus or discretionary profit-sharing bonus payable to him.
- (vii) Each of the executive Directors shall also be reimbursed of petrol and car maintenance expenses incurred by him during the term of his appointment as an executive Director.

Each of Mrs. Ho Wong Mary Mee-Tak and Mr. Chiu Wing Yui (as non-executive Directors) and each of Mr. Ip Shing Hing, Mr. Lai Kin Jerome and Mr. Cheung Ying Sheung (as independent non-executive Directors) has executed letters of appointment with the Company for a term of three years commencing from the Listing Date unless otherwise terminated in accordance with the terms of the letters of appointment. The annual director's fee for each of Mrs. Ho Wong Mary Mee-Tak, Mr. Chiu Wing Yui, Mr. Ip Shing Hing, Mr. Lai Kin Jerome and Mr. Cheung Ying Sheung shall be HK\$120,000, HK\$120,000, HK\$240,000, HK\$240,000 and HK\$240,000 respectively. Their appointments are subject to the provisions of retirement by rotation of Directors under the Articles.

Save as disclosed above, none of the Directors has entered or has proposed to enter into any service agreements with the 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).

**(b) Directors' remuneration**

- (i) Approximately HK\$18,219,401.88 was paid to the Directors by the Group as remuneration (including other allowances and benefits in kind) in respect of the financial year ended 31 December 2010.
- (ii) Approximately HK\$12,272,797 (excluding any performance bonus or profit-sharing bonus, if any) as remuneration is estimated to be payable to the Directors by the Group in respect of the financial year ending 31 December 2011 pursuant to the present arrangement.
- (iii) Save as disclosed in this prospectus, no Director received any remuneration or benefits in kind from the Group for the financial year ended 31 December 2010.



#### 5.4 Guarantees given by Directors

Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak and Mr. Leung Wah Kan had jointly given personal guarantees in favour of various banks to secure the debts and liabilities due by certain members of the Group. Such personal guarantees are expected to be released upon Listing and be replaced by corporate guarantees from the Company.

Mr. Man and Mr. Lee Wing Chung had given an unlimited guarantee in favour of a bank to secure the debts and liabilities due by Manli Group. The bank has confirmed its agreement to releasing the said guarantee and the guarantee will be cancelled after a retention period considered by the bank to be reasonably appropriate.

### 6. PRE-IPO SHARE OPTION SCHEME

#### A. Summary of the terms of the Pre-IPO Share Option Scheme

The following is a summary of the principal terms of the Pre-IPO Share Option Scheme approved and adopted pursuant to the written resolutions of all the Shareholders passed on 14 December 2011. The following summary does not form, nor is intended to be, part of the Pre-IPO Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Pre-IPO Share Option Scheme.

##### 1. *Purpose of the Pre-IPO Share Option Scheme*

The purpose of the Pre-IPO Share Option Scheme is to recognize and acknowledge the contributions to the growth of the Group of, and to provide incentive and reward to, certain directors, executives, employees and consultants of the members of the Group.

##### 2. *Who may join*

The Board may, at its discretion, invite any executive or non-executive directors (or any persons proposed to be appointed as such) or any employees (whether full-time or part-time) of or any consultant to, any member of the Group as the Board at its absolute discretion determine (together, the “**Participants**” and each a “**Participant**”), to take up options (“**Share Options**”) to subscribe for Shares at a price determined in accordance with paragraph 6 below.

In determining the basis of eligibility of each Participant, the Board would take into account such factors as the Board may at its discretion consider appropriate.

### **3. *Conditions***

The Pre-IPO Share Option Scheme shall take effect subject to the passing of an ordinary resolution approving the adoption of the Pre-IPO Share Option Scheme by the Shareholders and authorising the Directors to grant Share Options to subscribe for Shares thereunder and to allot and issue Shares pursuant to the exercise of any Share Options granted under the Pre-IPO Share Option Scheme, and is conditional upon:

- 3.1 the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, (i) the Shares in issue and to be issued as mentioned in this prospectus and (ii) any Shares to be issued pursuant to the exercise of Share Options under the Pre-IPO Share Option Scheme; and
- 3.2 the obligations of the Underwriters under the Underwriting Agreements becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Underwriters) and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise;

If the above conditions are not satisfied on or before the date which is the 30th day after the date of this prospectus, all Share Options shall lapse automatically and not be exercisable and the Pre-IPO Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Pre-IPO Share Option Scheme.

Application has been made to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the exercise of the Share Options.

### **4. *Duration and Administration***

- 4.1 Subject to the termination provisions in paragraph 15 below, the Pre-IPO Share Option Scheme shall be valid and effective for a period commencing on 14 December 2011 and ending on the Latest Practicable Date (both days inclusive), after which period no further Share Options will be granted but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain

in full force and effect, to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provision of the Pre-IPO Share Option Scheme.

- 4.2 The Pre-IPO Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the Pre-IPO Share Option Scheme) shall be final and binding on all parties.
- 4.3 Subject to compliance with the requirements of the Listing Rules and the provisions of the Pre-IPO Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the Pre-IPO Share Option Scheme; (ii) to determine the persons who will be awarded Share Options under the Pre-IPO Share Option Scheme and the number of Shares to be issued under the Share Options; (iii) to make such appropriate and equitable adjustments to the terms of Share Options granted under the Pre-IPO Share Option Scheme as it deems necessary; and (iv) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Pre-IPO Share Option Scheme.

## 5. *Grant of Share Options*

- 5.1 On and subject to the terms of the Pre-IPO Share Option Scheme, the Board shall be entitled at any time, on or after 14 December 2011 up to and inclusive of the Latest Practicable Date to make an offer of the grant of a Share Option by the Board (the “**Offer**”) to any Participant as the Board may in its absolute discretion select to subscribe for such number of Shares as the Board may (subject to paragraph 9 below) determine at the price of HK\$1.46 per Share (the “**Subscription Price**”).
- 5.2 An Offer shall be made to a Participant by letter in such form as the Board may from time to time determine (the “**Offer Letter**”) specifying the number of Shares under the Share Option, the Subscription Price, and the Option Period (as defined in subparagraph 7.3 below) and requiring the Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the Pre-IPO Share Option Scheme. An Offer shall remain open for acceptance

by the Participant to whom an Offer is made for a period (the “**Acceptance Period**”) from the date on which an Offer is made to a Participant (the “**Offer Date**”) to such date as the Board may determine and specify in the Offer Letter (both days inclusive), provided that no such Offer shall be open for acceptance after the end of the effective period of the Pre-IPO Share Option Scheme as stated in sub-paragraph 5.1.

- 5.3 An Offer shall be deemed to have been accepted by any Participant who accepts an Offer in accordance with the terms of the Pre-IPO Share Option Scheme or (where the context so permits) his personal representative(s) entitled to any such Share Option in consequence of the death of the original Participant (the “**Grantee**”) and the Share Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the Offer Letter (as defined in sub-paragraph 5.2 above) comprising acceptance of the Share Option duly signed by the Grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the granting thereof is received by the Company within the Acceptance Period. Such remittance shall in no circumstances be refundable or be considered as part of the Subscription Price.
- 5.4 An Offer may not be accepted in respect of less than the number of Shares for which it is offered. If the Offer is not accepted within the Acceptance Period and in the manner stipulated in sub-paragraph 5.3 above, it will be deemed to have been irrevocably declined.
- 5.5 Subject to the provisions of the Pre-IPO Share Option Scheme, the Board may when making the Offer impose any conditions, restrictions or limitations in relation to the Share Option as it may at its absolute discretion think fit.

## 6. *Subscription Price*

Subject to any adjustments made pursuant to paragraph 11 below, the Subscription Price per Share shall be HK\$1.46.

## 7. *Exercise of Share Options*

- 7.1 A Share Option shall be personal to the Grantee and shall not be assignable or transferable. No Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interests (whether legal or beneficial) in favour of any third party over or in relation to any Share Option or enter into agreement to do so. Any breach of the foregoing of a Grantee shall render all outstanding Share Options of such Grantee be automatically cancelled on the date which the Grantee commits the foregoing breach.
- 7.2 Unless otherwise determined by the Board and specified in the Offer Letter (as defined in sub-paragraph 5.2 above) at the time of the Offer, no performance targets need to be achieved by the Grantee before a Share Option can be exercised. 50% of the Share Options granted to a Grantee must be held by such Grantee for a minimum period of one year after the Listing Date before they can be exercised, and the remaining 50% of the Share Options must be held by such Grantee for a minimum period of two years after the Listing Date before they can be exercised. A Share Option may be exercised in whole or in part in the manner as set out in the Offer Letter, this sub-paragraph and sub-paragraph 7.3 below by the Grantee (or his personal representative(s)) giving notice in writing to the Company stating that the Share Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the total Subscription Price for the Shares in respect of which the notice is given. Subject to paragraph 11, within 28 days after receipt of the notice and the remittance and where appropriate, receipt of the certificate of the auditors for the time being of the Company pursuant to paragraph 11 below, the Company shall allot the relevant Shares to the Grantee (or his personal representative(s)) credited as fully paid and issue to the Grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.
- 7.3 Subject to paragraph 3 above and as hereinafter provided and subject to the terms and conditions upon which such Share Option was granted, a Share Option may be exercised by the Grantee at any time during a period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which a Share Option may be exercised and in any event, such period shall not be longer than 10 years from the Offer Date (“**Option Period**”) provided that:

- (a) in the event of the Grantee ceases to be a Participant for any reason other than on the Grantee's death or the termination of the Grantee's employment, directorship, office, appointment or engagement on one or more of the grounds specified in sub-paragraph 8.6 below, the Share Option granted to such Grantee shall lapse on the date of cessation (to the extent which has not already been exercised) and will not be exercisable unless the Board otherwise determines to grant an extension at the discretion of the Board in which event the Grantee may exercise the Share Option in accordance with the provisions of sub-paragraph 7.2 above within such period of extension and up to a maximum entitlement directed at the discretion of the Board on the date of grant of extension (to the extent that it has not already been exercised) and subject to other terms and conditions decided at the discretion of the Board. For the avoidance of doubt, such period of extension (if any) shall be granted within and in any event ended before the expiration of the period of one month following the date on which the Grantee ceases to be a Participant, which date shall be the Grantee's last actual working day with the relevant company whether salary is paid in lieu of notice or not, or the last date of office or appointment as director, officer or employee of the relevant company, as the case may be, in the event of which, the date of cessation as determined by a resolution of the board of directors or governing body of the relevant company shall be conclusive;
- (b) in the event the Grantee dies before exercising the Share Option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, office, appointment or engagement under sub-paragraph 8.6 below arises, the personal representative(s) of the Grantee shall be entitled within a period of 6 months or such longer period as the Board may determine from the date of death, to exercise the Share Option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and has not already been exercised) or, if appropriate, make an election pursuant to sub-paragraphs 7.3(c), (d) or (e) below, failing which the Share Option will lapse;

- (c) if a general offer by way of take-over (other than by way of scheme of arrangement pursuant to sub-paragraph 7.3(d) below) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror (the “**Dissenting Shareholders**”)) and if such offer becomes or is declared unconditional and the offeror is entitled to and does give notice pursuant to the Companies Law to acquire Shares held by the Dissenting Shareholders prior to the expiry of the relevant Option Period, the Grantee (or his personal representative(s)) may by notice in writing to the Company within 21 days of the notice of the offeror exercise the Share Option (to the extent that it has become exercisable on the date of the notice of the offeror and has not already been exercised) to its full extent or to the extent specified in such notice;
- (d) if a general offer by way of scheme of arrangement is made to all the holders of Shares and has been approved by the necessary majority of holders of Shares at the requisite meetings, the Grantee (or his personal representative(s)) may thereafter (but only until such time as shall be notified by the Company, after which it shall lapse) exercise the Share Option (to the extent that it has become exercisable and has not already been exercised) to its full extent or to the extent specified in such notice;
- (e) other than a general offer or a scheme of arrangement contemplated in sub-paragraphs 7.3 (c) and (d) above, if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee on the same date as it despatches the notice which is sent to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee (or his personal representative(s)) may forthwith and until the expiry of the period commencing with such date and ending with the

earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his Share Options (to the extent that it has become exercisable and has not already been exercised) whether in full or in part, but the exercise of a Share Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all Share Options shall lapse except insofar as previously exercised under the Pre-IPO Share Option Scheme. The Company may require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of Share Options in these circumstances so as to place the Grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and

- (f) in the event that a notice is given by the Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to convene the general meeting, give notice thereof to all Grantees and thereupon, the Grantees (or their personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to the Company (such notice to be received by the Company not later than 2 business days prior to the proposed general meeting of the Company) exercise the Share Option (to the extent that it has become exercisable and has not already been exercised) either to its full extent or to the extent specified in such notice, such notice to be accompanied by a payment for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.



7.4 The Shares to be allotted upon the exercise of a Share Option will be subject to all the provisions of the Memorandum and the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of their allotment and issue, and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment and issue other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of allotment and issue, provided always that when the date or exercise of the Share Option falls on a date upon which the register of shareholders of the Company is closed, then the exercise of the Share Option shall become effective on the first business day in Hong Kong on which the register of shareholders of the Company is re-opened.

**8. *Lapse of Share Option***

A Share Option shall lapse automatically and not be exercisable (to the extent that it has not already been exercised) on the earliest of:

- 8.1 the expiry of the Option Period;
- 8.2 the expiry of the periods referred to in the above sub-paragraphs 7.3(a), (b) or (c);
- 8.3 subject to the scheme of arrangement as referred to in sub-paragraph 7.3(d) above becoming effective, the expiry of the period referred to in the above sub-paragraph 7.3(d);
- 8.4 subject to the compromise or arrangement referred to in sub-paragraph 7.3(e) above becoming effective, the expiry of the period referred to in sub-paragraph 7.3(e),
- 8.5 subject to the expiry of the period of extension (if any) referred to in sub-paragraph 7.3(a) above, the date on which the Grantee ceases to be a Participant for any reason other than on his death or the termination of the Grantee's employment, directorship, office, appointment or engagement on one or more of the grounds specified in sub-paragraph 8.6 below;

- 8.6 the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office, appointment or engagement on one or more of the following grounds, namely, that he has been guilty of misconduct or has been in breach of material term of the relevant employment contract or service contract, or has stopped payment to creditors generally or been unable to pay his debts within the meaning of any applicable legislation relating to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served with a petition for bankruptcy, or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board or the board of the relevant subsidiary, as the case may be) on any other ground on which any employer or any engaging party would be entitled to terminate his employment, directorship, office, appointment or engagement at common law or pursuant to any applicable laws or under the Grantee's employment contract or service contract with the Company or the relevant subsidiary (as the case may be). A resolution of the Board or a duly authorised committee thereof for the time being, including the independent non-executive Directors or the board of directors or governing body of the relevant subsidiary (as the case may be) to the effect that the employment, directorship, office, appointment or engagement of a Grantee has or has not been terminated on one or more of the grounds specified in this sub-paragraph 8.6 shall be conclusive and binding on the Grantee;
- 8.7 the close of 2 business days prior to the general meeting of the Company held for the purpose of approving the voluntary winding-up of the Company or the date of the commencement of the winding-up of the Company;
- 8.8 the date on which the Grantee commits a breach of sub-paragraph 7.1 above;
- 8.9 the date on which the Share Option is cancelled by the Board as provided in paragraph 14 below; or
- 8.10 the non-fulfilment of any condition referred to in paragraph 3 above on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Share Option under this paragraph 8.

**9. *Maximum number of Shares available for subscription***

The total number of Shares, which may be issued upon exercise of all Share Options to be granted under the Pre-IPO Share Option Scheme shall not in aggregate exceed 8% of the total number of Shares in issue immediately following completion of the Offering but without taking into account any Shares which may be issued upon exercise of the Over-allotment Option.

**10. *Reorganisation of capital structure***

In the event of any alteration in the capital structure of the Company whilst any Share Option remains exercisable, whether by way of capitalisation issue, rights issue, subdivision, consolidation, or reduction of the share capital of the Company or otherwise howsoever in accordance with the applicable legal requirements and requirements of the Stock Exchange (excluding any alteration in the capital structure of the Company as a result of an issue of Shares pursuant to the exercise of the Over-allotment Option or as consideration in respect of a transaction to which the Company is a party) at any time after the date on which dealings in the Shares first commence on the Stock Exchange, such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the Share Option so far as unexercised; and/or
- (ii) the Subscription Price;

as an independent financial adviser appointed by the Company or the auditors for the time being of the Company shall at the request of the Board certify in writing to the Directors, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable and that any such alterations shall satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and shall give a Grantee as nearly as possible the same proportion of the issued share capital of the Company as that to which the Grantee was previously entitled, provided that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value and/or to the

advantage in respect of the Grantee without specific prior shareholders' approval. The capacity of the independent financial adviser or the auditors for the time being of the Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the auditors for the time being of the Company in relation to the provision of any services under this paragraph shall be borne by the Company. Notice of such alteration(s) shall be given to the Grantees by the Company.

**11. *Share Capital***

The exercise of any Share Option shall be subject to the Shareholders in a general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Share Options.

**12. *Disputes***

Any dispute arising in connection with the Pre-IPO Share Option Scheme (whether as to the number of Shares the subject of a Share Option, the amount of the Subscription Price or otherwise) shall be referred to the decision of the auditors for the time being of the Company or an independent financial adviser appointed by the Company who shall act as experts and not as arbitrators and whose decision shall be final and binding.

**13. *Alteration of the Pre-IPO Share Option Scheme***

13.1 The provisions of the Pre-IPO Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Pre-IPO Share Option Scheme as to:

- (a) the definitions of "Grantee", "Option Period" and "Participant" in paragraph 2 and sub-paragraphs 5.3 and 7.3 above;

- (b) the provisions of the above paragraphs and sub-paragraphs 4.1, 5.1, 5.2, 5.3, 6, 7, 8, 9, 10 and this paragraph 13; and
- (c) all such other matters set out in Rule 17.03 of the Listing Rules,

shall not be altered to the advantage of the Participants except with the prior approval of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Share Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the affected Grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

- 13.2 Any alterations to the terms and conditions of the Pre-IPO Share Option Scheme which are of a material nature or any change to the terms of the Share Options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Pre-IPO Share Option Scheme.
- 13.3 The amended terms of the Pre-IPO Share Option Scheme or the Share Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 13.4 Any change to the authority of the Directors or scheme administrators in relation to any alteration to the terms of the Pre-IPO Share Option Scheme must be approved by the Shareholders in general meeting.

#### ***14. Cancellation of the Share Options granted***

The Board may at any time at its absolute discretion cancel any Share Option granted but not exercised.

**15. Termination of the Pre-IPO Share Option Scheme**

The Pre-IPO Share Option Scheme shall terminate on 24 December 2011, being the date immediately following the Latest Practicable Date. Upon termination of the Pre-IPO Share Option Scheme, no further Share Options will be granted but in all other respects the provisions of the Pre-IPO Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the Pre-IPO Share Option Scheme, and Share Options which are granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Pre-IPO Share Option Scheme and their terms of issue.

**B. Outstanding options granted under the Pre-IPO Share Option Scheme**

As at the date of this prospectus, Share Options to subscribe for an aggregate of 31,990,000 Shares, representing 7.66% of the issued share capital of the Company immediately following completion of the Offering (assuming the Over-allotment Option is not exercised and excluding all the Shares which may be allotted and issue pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme), at an exercise price of HK\$1.46 per Share have been granted by the Company, and which remained outstanding as at the Latest Practicable Date. Each Grantee has paid HK\$1 to the Company on acceptance of the offer for the grant of Share Option.

Share Options granted under the Pre-IPO Share Option Scheme shall be exercisable by the Grantees in the following manner:

- (a) 50% for the period of 3 years commencing from the first anniversary of the Listing Date; and
- (b) the remaining 50% for the period of 3 years commencing from the second anniversary of the Listing Date.

As at the Latest Practicable Date, 54 Grantees, including (i) 5 Directors and 1 director of a subsidiary, (ii) 8 members of senior management of the Group, (iii) 1 consultant and (iv) 39 other employees of the Group were each granted a Share Option, particulars of which are set out as follows:

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company <i>(Note)</i>
<b>Executive Directors</b>				
Wong Shik Ho Tony	Chief Executive Officer Executive Director <i>(Responsible for the overall strategic management and corporate development of the Group)</i>	Flat D, 17/E., Tower V, The Waterfront No. 1 Austin Road West, Jordan Kowloon, Hong Kong	4,290,000	1.03%
Leung Wah Kan	Chief Operation Officer Executive Director <i>(Responsible for the strategic management of the Group's manufacturing operations in China and the product design and development engineering activities of the Group)</i>	No. 189 Lychee Road North Fairview Park Yuen Long New Territories Hong Kong	3,300,000	0.79%
Wong Fong Pak	Executive Vice President Executive Director <i>(Responsible for managing the Group's materials management function and sales and business development function of the Group's EMS business)</i>	33 Hong Lok Road, East Hong Lok Yuen, Tai Po New Territories Hong Kong	3,300,000	0.79%

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Ho Nai Nap	Executive Director ( <i>General manager and managing director of ASK Group</i> )	130A Hong Lok Road East Hong Lok Yuen Tai Po, New Territories Hong Kong	1,200,000	0.29%
Man Wai Hung	Executive Director ( <i>Managing director of Manli Group</i> )	Room B, 19/F., Block 2, The Palazzo Fotan, Sha Tin New Territories Hong Kong	1,200,000	0.29%
<b>Sub-total</b>			<u>13,290,000</u>	<u>3.18%</u>
<b>Director of a subsidiary</b>				
Lee Wing Chung	Director of Manli Group	Flat H, 15/F., Block 11 Lok Shun Path, Royal Ascot, Shatin, New Territories, Hong Kong	300,000	0.07%
<b>Sub-total</b>			<u>300,000</u>	<u>0.07%</u>



## Senior management of the Group who are not directors of the Group

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Chow Hon Fat	Director of Program Management — Graphics	30 Fairview Park, Sect D, 3rd Street, Fairview Park, Yuen Long, New Territories, Hong Kong	900,000	0.22%
Lai Shui Wah	General Manager	Flat A, 45/F, Block 6 Tierra Verde, Tsing Yi, New Territories, Hong Kong	900,000	0.22%
Kwong Kwok Kuen	Director of Sales — EMEAI Region	No. 10, Kapok Path, Westwood Palm Springs, Yuen Long, New Territories, Hong Kong	900,000	0.22%
Kong Chun Kwok, Bruce	Director of Sales — APAC and NALA Regions	House 118 Pinaceae Drive, Westwood Palm Springs, Yuen Long, New Territories, Hong Kong	900,000	0.22%
Wong Man Fai	Director of Product Department	Flat E, 32/F, Block 2, 398 Castle Peak Road, Discovery Park, Tsuen Wan, New Territories, Hong Kong	900,000	0.22%
Wong Chi Wah	Chief Human Resources and Administration Officer	Room 3105 Wing Pak House, Hong Pak Court, Lam Tin, Kowloon, Hong Kong	900,000	0.22%
Huang Chia Pao	Director of Product of Motherboard Business	Hyatt Regency Hong Kong, Sha Tin 18 Chak Cheung Street, Sha Tin, New Territories, Hong Kong	900,000	0.22%
Lau Ka Lai Gary	Chief Financial Officer	Flat B, 41/F, Tower 10, Le Point, 8 King Ling Road, Tseung Kwan O, New Territories, Hong Kong	900,000	0.22%
<b>Sub-total</b>			<b>7,200,000</b>	<b>1.72%</b>

## Other employees of the Group and one consultant

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Splendid Fame Limited	(Note 2)	Room 301, 3/F, New East Ocean Centre, No. 9 Science Museum Road, Tsim Sha Tsui, Kowloon, Hong Kong	3,300,000	0.79%
Poon Chun Kin	General Manager — Manufacturing Unit	75/14-16, Freeman Place, Carlingford, NSW 2118, Australia	900,000	0.22%
Chiu Chung Leung	Senior Material Manager	212, Kam Wan House, Choi Hung Estate, Kowloon, Hong Kong	500,000	0.12%
Chow Pak Keung	Senior Manager — Program Management (EMS)	Flat L3, 26/F, Block L, Fanling Centre, Fanling, New Territories, Hong Kong	500,000	0.12%
Fong Wing Fai	Engineering Manager	Flat C, 15/F, Blk 6, Monte Vista, Ma On Shan, New Territories, Hong Kong	500,000	0.12%
Ho Ding Yung	Engineering Manager	Flat F, 18/F, Block 2, Grandview Garden, Hammer Hill Road, NKIL 6233, Diamond Hill, Kowloon, Hong Kong	500,000	0.12%
Lee Po Yuk Juanne	Finance Manager	Flat H, 21/F, Block 4, The Tolo Place, Sunshine City, Ma On Shan, New Territories, Hong Kong	500,000	0.12%

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Lee Siu Wai	Procurement Manager	Flat H, 30/F, Block 1, La Costa, No. 8, Po Tai Street, Ma On Shan, New Territories, Hong Kong	500,000	0.12%
Liu Ngai Choi	Senior Sales Manager	Flat 3615, 36/F, Block C, Heng Nga House, Hong Nga Court, Lam Tin, Kowloon, Hong Kong	500,000	0.12%
Wu Chi Kwong	Costing Manager	Room 1702, Sau Man House, Choi Wan Estate, Kowloon, Hong Kong	350,000	0.08%
Wong Chun Sang	Sales Director	Flat H, 5/F, Cheung Pak Mansion, Parkvale, Quarry Bay, Hong Kong	300,000	0.07%
Lui Ho Shun	Senior MIS Manager	Room 105, 1/F, Block 16, Guo Ji Gong Guan Phase 3, Shi Ji Cheng, Nan Cheng district, Dongguan, PRC	250,000	0.06%
Chan Pui Yee	Assistant Human Resources and Administration Manager	Flat D, 10/F, Block 5, 9 Kat Cheung Crescent, Greenpark Villa, Sheung Shui, New Territories, Hong Kong	200,000	0.05%
Ho Yuet Mei Carmen	Assistant Shipping Manager	Flat C, 25/F, Block 1, Elegance Garden, 4-8 King Fung Path, Tuen Mun, New Territories, Hong Kong	200,000	0.05%

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Lau Chee Keung	Technical Support Manager	Flat C, 29/F, Block 7, Grand Regentville, 9 Wo Mun Street, Fanling, New Territories, Hong Kong	200,000	0.05%
Lo Po Man	Design Manager	1/F, 3 Leung Cheong Street, Fanling, New Territories, Hong Kong	200,000	0.05%
Ng Wai Kin	Assistant PMC Manager	Oasis Garden Hao Jing Xuan A 602, Guang Dong province, Hou Jie Town, Bai Hao Zone	200,000	0.05%
Tsang Chiu Po	Shipping Manager	Flat C, 16/F, Wing Fai Garden, 29-35 Ting Kok Road, Tai Po, New Territories, Hong Kong	200,000	0.05%
Yeung Man Ching	Assistant PMC Manager	Flat 15, 22/F, Chung May House, Chung Nga Court, Tai Po, New Territories, Hong Kong	200,000	0.05%
Yu Kin Leung, James	Sales Manager	Flat 306, Wang Yuen House, Tin Wang Court, Chuk Yuen, Kowloon, Hong Kong	200,000	0.05%
Chan Yuk Lin	Senior Clerk	No. 7 Cheung Lek Village, Sheung Shui, New Territories, Hong Kong	50,000	0.01%

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Cheung Shuk Yee	Senior Accountant	No. 33 G/F, Kam Shek San Tsuen, Tai Po, New Territories, Hong Kong	50,000	0.01%
Chong Fai Ping	Engineer — PCB Design	Flat C, 18/F, Block 4, Sheung Shui Centre, Sheung Shui, New Territories, Hong Kong	50,000	0.01%
Choy Kin On	Senior Store Supervisor	1/F, 7 Fu Hing Street, Sheung Shui, New Territories, Hong Kong	50,000	0.01%
Ho Kau	Senior Storekeeper	Flat 1201, 12/F, Cheong Yun House, Cheong Shing Court, Fanling, New Territories, Hong Kong	50,000	0.01%
Ho Man Kuk	Senior Buyer	Room 2721, 27/F, Pang Ching Court, 6 Chui Chuk Street, Wong Tai Sin, Kowloon, Hong Kong	50,000	0.01%
Hsu Moon Loi	Purchasing Supervisor	Flat 738, Tai Lok House, Tai Yuen Estate, Tai Po, New Territories, Hong Kong	50,000	0.01%
Hung Siu Wai	Engineer	Flat J, 17/F, Tower 1, Wing Fok Centre, Fanling, New Territories, Hong Kong	50,000	0.01%

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Lam Sui Ying	Senior Shipping Clerk	1/F, 2 San Fat Street, Sheung Shui, New Territories, Hong Kong	50,000	0.01%
Lee Wing Fu	Storekeeper	Room 112, Ying Hong House, Choi Ying Estate, Kowloon Bay, Kowloon, Hong Kong	50,000	0.01%
Lee Wing Kit	Senior Storekeeper	Flat F, 21/F, Block 9, Yuet Wu Villa, Tuen Mun, New Territories, Hong Kong	50,000	0.01%
Leung Yip Sing	Engineer	2 Hang Shun Street, Chevalier Garden, Block 3, 13/F., Flat K, Man On Shan, New Territories, Hong Kong	50,000	0.01%
Leung Yuk Ching	Amah	Room 12, 35/F, Block A, Kam Yung House, Kam Fung Court, Ma On Shan, New Territories, Hong Kong	50,000	0.01%
Li Yuk Lan	Senior Shipping Clerk	Flat A, 5/F, Treasure Garden, 1 On Chee Road, Tai Po, New Territories, Hong Kong	50,000	0.01%
Mok Chuen Wah	Information Analysis Officer	Room 929, Pok Man House, Pok Hong Estate, Shatin, New Territories, Hong Kong	50,000	0.01%

Name of grantee	Position	Address	Number of underlying Shares	Approximate percentage of issued share capital of the Company (Note)
Sit Lin Ho	PMC Supervisor	Flat 10, 32/F, Yee Leung House, Yee Nga Court, Tai Po, New Territories, Hong Kong	50,000	0.01%
Tang Hau Ping	Technical Support Engineer	Flat H, 25/F, Tower 6, Wing Fok Centre, Fanling, New Territories, Hong Kong	50,000	0.01%
Tsang Wan Wai	Senior Engineer	Flat H, Floor 39, 8 Royal Green, 8 Ching Hiu Road, Sheung Shui, New Territories, Hong Kong	50,000	0.01%
Wong Wai Kong	Store Supervisor	Room 1029, Hip Wo House, Wo Che Estate, Shatin, New Territories, Hong Kong	50,000	0.01%
Wu Suet Lai	Accounts Clerk	Flat 30, 5/F, Wu Fai House, Wu King Estate, Tuen Mun, New Territories, Hong Kong	50,000	0.01%
<b>Sub-total</b>			<u>11,200,000</u>	<u>2.68%</u>
<b>TOTAL</b>			<u><u>31,990,000</u></u>	<u><u>7.66%</u></u>

*Notes:*

1. This refers to the issued share capital of the Company immediately following completion of the Offering (assuming that the Over-allotment Option is not exercised).
2. A consultant to the Group which provides advisory services to the Board and oversees the financial management, business planning and reporting procedures of the Group as well as reviews the systems of internal control and compliance and other financial/accounting policies and related issues from time to time.

The dilution effect on shareholding upon issuance of the Shares granted under the Pre-IPO Share Option Scheme is as follows:

	Shareholdings immediately after completion of the Offering but without taking into account the exercise of the Over-allotment Option		Shareholdings immediately after completion of the Offering and assuming all Share Options have been exercised but without taking into account the exercise of the Over-allotment Option	
	<i>No. of Shares</i>		<i>No. of Shares</i>	
	<i>Approx. %</i>		<i>Approx. %</i>	
<b>Director</b>				
Wong Shik Ho Tony	51,560,750	12.35	55,850,750	12.42
Leung Wah Kan	21,250,500	5.09	24,550,500	5.46
Wong Fong Pak	26,915,750	6.45	30,215,750	6.72
Ho Nai Nap	19,984,538	4.79	21,184,538	4.71
Man Wai Hung	3,677,065	0.88	4,877,065	1.08
Ho Wong Mary Mee-Tak (Note 1)	132,350,000	31.70	132,350,000	29.44
<b>Director of a subsidiary</b>				
Lee Wing Chung	3,677,065	0.88	3,977,065	0.88
<b>Other Shareholders</b>				
Perfect Choice	77,500,000	18.56	77,500,000	17.24
Classic Venture	54,850,000	13.14	54,850,000	12.20
Daniel Kearney	22,475,000	5.38	22,475,000	5.00
Public Shareholders	135,628,000	32.48	154,028,000	34.27
			(Note 2)	

*Notes:*

- These 132,350,000 Shares represent the same 54,850,000 Shares owned by Classic Venture and 77,500,000 Shares owned by Perfect Choice. As the entire issued share capital of both Classic Venture and Perfect Choice are owned by Mrs. Ho Wong Mary Mee-Tak, Mrs. Ho Wong Mary Mee-Tak is deemed to be interested in the 132,350,000 Shares in aggregate held by Classic Venture and Perfect Choice under the SFO.
- These Shareholders includes 8 senior management of the Group who are not directors of the Group, 39 employees of the Group and one consultant who are grantees of the Share Options.



The total number of shares subject to the options granted under the Pre-IPO Share Option Scheme is 31,990,000 Shares, representing approximately 7.66% of the issued share capital of the Company immediately following completion of the Offering (assuming the Over-allotment Option is not exercised and excluding all the Shares which may be allotted and issued pursuant to the exercise of the options granted under the Pre-IPO Share Option Scheme), or approximately 7.12% of the enlarged issued share capital of the Company upon full exercise of all the outstanding options granted under the Pre-IPO Share Option Scheme immediately following completion of the Offering (assuming the Over-allotment Option is not exercised). As such, assuming full exercise of the outstanding options granted under the Pre-IPO Share Option Scheme, the shareholding of the Shareholders immediately following the Listing will be diluted by approximately 7.12%. Further, assuming that (i) the Reorganisation has been completed and there are no minority interests in respect of Ask Group or Manli Group and the Company had been listed on the Stock Exchange since 1 January 2010 with 417,518,668 Shares in issue; and (ii) the Reorganisation has been completed and there are no minority interests in respect of Ask Group or Manli Group, the Company had been listed on the Stock Exchange since 1 January 2010 with 417,518,668 Shares in issue and 31,990,000 Shares were allotted and issued pursuant to the exercise of all the options granted under the Pre-IPO Share Option Scheme in full on 1 January 2010, the earnings per Share on a pro forma diluted basis would be approximately HK\$0.281 (unaudited) and HK\$0.261 (unaudited) respectively for the year ended 31 December 2010.

Save as disclosed above, no other Share Option has been granted or agreed to be granted by the Company under the Pre-IPO Share Option Scheme as at the date of this prospectus.

## 7. OTHER INFORMATION

### 7.1 Estate Duty, Tax and Other Indemnity

#### *Indemnity on estate duty and taxation*

The Controlling Shareholders, Mr. Wong Shik Ho Tony, Mr. Wong Fong Pak and Mr. Leung Wah Kan (the “**Indemnifiers**”) have pursuant to a deed of indemnity (the “**Deed of Indemnity**”), given indemnities on a joint and several basis in favour of the Company (for itself and as trustee for each of its present subsidiaries) in respect of, among others:

- (i) certain estate duty which might be payable by or recovered against any of the members of the Group by virtue of or under the provisions of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong); and

- (ii) any tax liabilities falling on any of the members of the Group resulting from or by reference to any income, profits or gains earned, accrued or received (or deemed to be or alleged to have been earned, accrued or received) on or before the date on which the Offering becomes unconditional (the “**Effective Date**”), whether alone or in conjunction with any circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm or company, provided that the indemnity given under the Deed of Indemnity shall not apply:
  - (a) to the extent (if any) to which provision, reserve or allowance has been made for such taxation liabilities and claims in the audited combined financial statements of the Company for the Track Record Period as set out in Appendix I to this prospectus (the “**Accounts**”);
  - (b) to the extent such taxation liabilities and claims falling on any of the members of the Group in respect of its current accounting periods or any accounting period commencing on or after 1 July 2011 would not have arisen but for some act or omission of, or transaction voluntarily effected by, any of the members of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement or acquiescence of the Indemnifiers other than any such act, omission or transaction:
    - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after 30 June 2011, or
    - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 30 June 2011 or pursuant to any statement of intention made in this prospectus; or

- (c) to the extent of any provision, reserve or allowance made for such taxation liabilities in the Accounts which is finally established to be an over-provision or an excessive reserve or allowance, in which case the Indemnifiers' liability (if any) in respect of such taxation liabilities shall be reduced by an amount not exceeding such provision, reserve or allowance, provided that the amount of any such provision, reserve or allowance applied pursuant to this paragraph to reduce the Indemnifiers' liability in respect of such taxation liabilities shall not be available in respect of any such liability arising thereafter and for the avoidance of doubt, such over-provision or excess provision, reserve or allowance shall only be applied to reduce the liability of the Indemnifiers under the Deed of Indemnity and none of the members of the Group shall in any circumstances be liable to pay the Indemnifiers any such excess; or
- (d) to the extent that such taxation or taxation claim arises, is incurred or is increased as a result of a change in accounting policies after the Effective Date; or
- (e) to the extent that any taxation liabilities and claims arises or is incurred as a result of the imposition of such taxation liabilities as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC or any other relevant authority (whether in Hong Kong, Macau, the United States, South Korea, the PRC, the BVI or any other part of the world) coming into force after the Effective Date or to the extent that such taxation liabilities and claims arise or is increased by an increase in rates of such taxation liabilities after the Effective Date with retrospective effect.

*Other Indemnities*

Pursuant to the Deed of Indemnity, the Indemnifiers have also given indemnities in connection with other matters as more particularly described below:

*(a) Social Insurance and housing provident funds*

Each of the Indemnifiers has given indemnities on a joint and several basis in favour of each member of the Group against:

- (i) any liabilities to pay Social Insurance and housing provident funds contributions for or in relation to the employees of the Group prior to the date on which the conditions stated in the paragraph headed “Conditions” under the section headed “Structure and conditions of the Offering” in this prospectus being fulfilled (the “Effective Date”) as required by applicable laws and regulations of the PRC, and in the case of Social Insurance, to the extent if such payment is in excess of the provisions made in the accountants’ report as set out in Appendix I to this prospectus; and
- (ii) any fines and/or penalties that may be imposed by the relevant authorities of the PRC in connection with the non-payment within the relevant specified period (if any) of Social Insurance and housing provident funds prior to the Effective Date.

*(b) Litigation*

Each of the Indemnifiers has given indemnities on a joint and several basis in favour of each member of the Group (whether or not such member of the Group is or may be entitled to claim reimbursement from any other person), on demand, against all or any Damages howsoever arising from or in connection with any Litigation Claim to the extent that the events leading to such Damages occurred prior to the Effective Date provided that each of the Company and the relevant member of the Group shall reimburse each Indemnifier an amount equal to any sum paid by it under the Deed of Indemnity which is subsequently recovered by the Group from any third party less any costs and expenses incurred by the Group for recovering such sum.

For the purposes of the Deed of Indemnity:

“**Damages**” means all damages, losses, claims, fines, penalties to be imposed, charges, fees, costs, interests, expenses (including all legal costs and expenses), actions, proceedings, depletion of assets, loss of profit, loss of business, cost of rectification, costs of removal, costs of reinstatement of property (with reference to the physical state or the legal status of such property at the time when such property’s owner or user became a subsidiary of the Company) and any other liability of whatever nature; and

“**Litigation Claim**” means any litigation, arbitration and/or legal proceedings, whether of criminal or administrative or contractual or tortious or otherwise nature, against any member of the Group which was issued and/or accrued and/or arising from any act or non-performance or omission or otherwise of any member of the Group on or before the Effective Date in Hong Kong, Macau, the United States, South Korea, the PRC, the British Virgin Islands, the Cayman Islands or any other part of the world.

## 7.2 Litigation

No member of the Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any member of the Group.

However, as at the Latest Practicable Date, the Group was involved in a patent infringement claim made to the International Trade Commission of the US (“ITC”) pursuant to Section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. § 1337 against various manufacturers of semiconductors, one of which being a GPU supplier of the Group. The Group was named as a co-respondent of the claim because its products contain the alleged infringing chips manufactured by the said GPU supplier. The Group understands that, whereas the claimant could not, via the ITC investigation, obtain direct monetary damages from the Group, the remedies available to the claimant are (i) an exclusion order, being a US executive order, strictly prohibiting the importation of any of the products named in the claim which contain parts or components of the infringing patent (the “Named Products”) into the US and (ii) a cease and desist order forbidding the sale of any existing US-based inventory of the Named Products. The GPU supplier has agreed to pay the Group’s legal fees and disbursements incurred in defending the said claim in respect of Named Products which contain chips of the said GPU supplier. Accordingly, the Directors are of the view that the said claim does not have any material impact on the business of the Group.

**7.3 Related party transactions**

The Group entered into the related party transactions within the two years immediately preceding the date of this prospectus as mentioned in the section headed “Connected transactions” in this prospectus and in note 33 of section B of the Accountants’ Report set out in Appendix I to this prospectus.

**7.4 Sponsor**

WAG Worldsec has made an application on behalf of the Company to the Listing Committee for listing of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein, including any Shares falling to be issued pursuant to the exercise of the Over-allotment Option and pursuant to the exercise of any options granted under the Pre-IPO Share Option Scheme.

**7.5 Preliminary Expenses**

The preliminary expenses of the Company are estimated to be approximately HK\$71,405 and are payable by the Company.

**7.6 Promoter**

The 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 Offering or the related transactions described in this prospectus.

### 7.7 Qualifications of Experts

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

<b>Name</b>	<b>Qualification</b>
WAG Worldsec Corporate Finance Limited	Licensed under the SFO to conduct type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities
BDO Limited	Certified public accountant
Guantao Law Firm	PRC lawyers
Appleby	Cayman Islands attorneys-at-law
Jones Lang LaSalle Sallmanns Limited	Property valuer

### 7.8 Consents of Experts

Each of WAG Worldsec, BDO Limited, Guantao Law Firm, Appleby and Jones Lang LaSalle Sallmanns 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 summary of valuations and/or opinion and/or data (as the case may be) and references to its name included herein in the form and context in which they are respectively included.

None of the experts named in this paragraph has any shareholding interests 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 of the Group.

### 7.9 Binding Effect

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

**7.10 Agency fees or commission received**

The Underwriters will receive an underwriting commission, and the Sponsor will receive a documentation fee, as referred to under the section headed “Underwriting — Underwriting arrangements and expenses — Commissions and expenses” in this prospectus.

**7.11 Disclaimers**

- (a) Save as disclosed in the section headed “Connected Transactions” in this prospectus, none of the Directors nor any of the persons whose names are listed in the paragraph headed “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 or disposed of by or leased to any member of the Group.
- (b) None of the Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Group.

**7.12 Particulars of the Selling Shareholder**

The particulars of the Selling Shareholder are set out as follows:

Name:	Classic Venture International Inc.
Place of incorporation:	British Virgin Islands
Date of incorporation:	18 July 1995
Registered office:	263 Main Street, P.O. Box 2196, Road Town, Tortola, British
Number of Sale Shares to be sold:	18,000,000 Shares



**7.13 Miscellaneous**

- (a) Within the two years immediately preceding the date of this prospectus:
- (1) save as disclosed in the section headed “Further information about the Company and its subsidiaries — Changes in share capital of subsidiaries” in this Appendix, no share or loan capital of the Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (2) save as disclosed in the sections headed “Underwriting – Underwriting arrangements and expenses – Commission and expenses” and “Structure and conditions of the Offering” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries; and
- (b) Save as disclosed in the sections headed “Further information about Directors, senior management and staff— Interests and short positions of Directors in the share capital of the Company” and “Pre-IPO Share Option Scheme” in this Appendix, no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) The Company has not issued or agreed to issue any founder shares, management shares or deferred shares.
- (d) Save as disclosed in the sections headed “Underwriting – Underwriting arrangements and expenses – Commission and expenses” and “Structure and conditions of the Offering – Offer Price and price payable on application” in this prospectus, no commissions was paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in the Company or any of its subsidiaries.
- (e) Since 30 June 2011, being the date to which the latest audited combined financial results of the Group as set out in Appendix I to this prospectus were made up, there has been no material adverse change in the financial or trading position or prospects of the Group.

- (f) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.
- (g) No company within the Group is presently listed on any stock exchange or traded on any trading system.
- (h) None of WAG Worldsec, BDO Limited, Guantao Law Firm, Appleby and Jones Lang LaSalle Sallmanns Limited:
  - (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 securities in any member of the Group.
- (i) There are no arrangements in existence under which future dividends are to be or agreed to be waived.
- (j) There has not been any interruption in the business of the Group which may have or have had a significant effect on the financial position of the Group within 12 months preceding the date of this prospectus.

#### **7.14 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).