

- (e) On 15 November 2011, the authorized share capital of the Company was increased from HK\$388,000 divided into 3,880,000 Shares to HK\$300,000,000 divided into 3,000,000,000 Shares.

Assuming that the Global Offering becomes unconditional and the issues of the Shares pursuant to the Global Offering and the Capitalization Issue mentioned herein are made, but taking no account of any Shares which may be issued upon the exercise of the Over-allotment Option or upon exercise of options which may be granted under the Share Option Scheme, the issued share capital of our Company will be HK\$99,840,000 divided into 998,400,000 Shares fully paid or credited as fully paid. Other than pursuant to the Over-allotment Option and the options which may be granted under the Share Option Scheme or the exercise of the general mandate to issue Shares referred to in “Resolutions in writing of the Shareholders passed on 15 November 2011” in this appendix, there is no present intention to issue any part of the authorized but unissued share capital of our 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 our Company.

### ***3. Resolutions in writing of the Shareholders passed on 15 November 2011***

Written resolutions were passed by the Shareholders on 15 November 2011 pursuant to which, among other matters:

- (a) the authorized share capital of our Company was increased from HK\$388,000 to HK\$300,000,000 by the creation of an additional 2,996,120,000 Shares;
- (b) the Memorandum and Articles of Association were approved and adopted;
- (c) conditional on (aa) the Listing Committee granting the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus, (bb) the Offer Price having been determined; (cc) the execution and delivery of the International Placing Agreement on or before the date as mentioned in this prospectus; and (dd) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date determined in accordance with the terms of the Underwriting Agreements:
  - (i) the Global Offering and the grant of the Over-allotment Option by our Company were approved and our Directors were authorized to allot and issue the Offer Shares pursuant to the Global Offering and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option;
  - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in “Other Information — 14. Share Option Scheme” of this appendix, were approved and adopted and our Directors were authorized to, at their absolute discretion, to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary or desirable to implement the Share Option Scheme; and

- (iii) conditional on the share premium account of our Company being credited as a result of the Global Offering, our Directors were authorized to capitalize HK\$74,878,960 standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par 748,789,600 Shares for allotment and issue to the holders of Shares whose names appear on the register of members of our Company at the close of business on 15 November 2011 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be allotted and issued) to their then existing respective shareholdings in our Company and so that the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorized to give effect to such capitalization;
- (d) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with (otherwise than by way of rights issue or an issue of shares upon the exercise of the Over-allotment Option or any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares or pursuant to the exercise of any options which may be granted under the Share Option Scheme, any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of its subsidiaries or any other person of share or rights to acquire Shares or 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 a specific authority granted by the Shareholders in general meeting) Shares with an aggregate nominal amount of not exceeding the sum of 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Law or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders renewing, revoking or varying the authority given to our Directors, whichever occurs first (the “Relevant Period”), and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) during the Relevant Period which might require the exercise of such power to issue Shares either during or after the end of the Relevant Period;
- (e) a general unconditional mandate (the “Repurchase Mandate”) was given to our Directors to exercise all powers of our Company to purchase Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and recognized by the SFC and the Stock Exchange for this purpose, with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Law or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders renewing, revoking or varying the authority given to our Directors, whichever occurs first; and

- (f) the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph (d) above to include the aggregate nominal amount of the share capital of our Company which may be repurchased by our Company pursuant to paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue but excluding any Shares that may be issued upon exercise of the Over-allotment Option.

#### **4. Group Reorganization**

The companies comprising our Group underwent the Reorganization to rationalize our Group's structure in preparation for the Listing which involved the following:

- (a) establishment of Sitoy Factory and Sitoy Investment on 23 May 2011 by Mr. Yeung Michael Wah Keung and Mr. Yeung Wo Fai which were owned by them in the ratio of 65% and 35%, to reflect their percentage shareholdings in Sitoy Handbag and Sitoy Company;
- (b) transfer of 260,000 shares in Sitoy Handbag by Mr. Yeung Michael Wah Keung and of 140,000 shares in Sitoy Handbag by Mr. Yeung Wo Fai to Sitoy Factory on 20 June 2011, in consideration of the issue and allotment of 65 new shares in Sitoy Factory to Mr. Yeung Michael Wah Keung and 35 new shares in Sitoy Factory to Mr. Yeung Wo Fai in the ratio of 65% and 35%;
- (c) transfer of 1,950 shares in Sitoy Company by Mr. Yeung Michael Wah Keung and of 1,050 shares in Sitoy Company by Mr. Yeung Wo Fai to Sitoy Investment on 20 June 2011, in consideration of the issue and allotment of 65 new shares in Sitoy Investment to Mr. Yeung Michael Wah Keung and 35 new shares in Sitoy Investment to Mr. Yeung Wo Fai in the ratio of 65% and 35%; and
- (d) the acquisition of the entire issued shares in each of Sitoy Factory and Sitoy Investment by the Company from Mr. Yeung Michael Wah Keung and Mr. Yeung Wo Fai on 13 July 2011, in consideration of the issue and allotment of 130 new Shares to Mr. Yeung Michael Wah Keung and of 70 new Shares to Mr. Yeung Wo Fai, all credited as fully paid up.

#### **5. Changes in share capital of subsidiaries**

The subsidiaries of our Company are listed in the accountants' report set out in Appendix I to this prospectus.

In addition to the alterations disclosed in paragraph 4 of this appendix, the following alterations in the share capital of subsidiaries of our Company took place within two years immediately preceding the date of this prospectus:

- (a) On 14 July 2010, the registered capital of Sitoy Dongguan was increased from HK\$15.2 million to HK\$60 million.
- (b) On 10 September 2010, Sitoy International was incorporated in the BVI with an authorized share capital of US\$50,000 divided into 50,000 shares of US\$1 each, of which one share was issued and allotted to our Company.

- (c) On 21 September 2010, Sitoy Retailing was incorporated in Hong Kong with an authorized share capital of HK\$5,000,000 divided into 5,000,000 shares of HK\$1 each, of which one share was issued and allotted to Sitoy International on its date of incorporation. On 25 October 2010, 4,999,999 shares were issued and allotted to Sitoy International; and
- (d) On 25 November 2010, the registered capital of Sitoy Yingde was increased from HK\$170 million to HK\$220 million. HK\$194.2 million of the registered capital had been fully-paid as at the Latest Practicable Date. The remaining unpaid amount of registered capital of HK\$25.8 million shall be paid up by 25 November 2012.
- (e) On 18 January 2011, Sitoy Guangzhou was established as a wholly-foreign owned enterprise in the PRC with a registered capital of HK\$25 million and a total investment of HK\$50 million wholly-owned by Sitoy Retailing. HK\$15 million of the registered capital had been fully-paid as at the Latest Practicable Date. The remaining unpaid amount of registered capital of HK\$10 million shall be paid up by 18 January 2013.

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

#### **6. Further information about our Group's PRC establishments**

Our Group has interest in the registered capital of three wholly foreign-owned enterprises in the PRC. A summary of the corporate information of these enterprises as at the Latest Practicable Date are set out as follows:

##### **(a) Sitoy Dongguan**

- (i) Name of the enterprise: 東莞時代皮具製品廠有限公司  
(Dongguan Shidai Leather Products Factory Co., Ltd.)
- (ii) Date of establishment: 13 July 1992
- (iii) Economic nature: Wholly foreign-owned enterprise
- (iv) Registered owner: Sitoy Handbag
- (v) Total investment capital: HK\$60 million
- (vi) Registered capital: HK\$60 million
- (vii) Attributable interest to our Group: 100%
- (viii) Term of operation: From 13 July 1992 to 12 July 2017
- (ix) Scope of business: Manufacture and sale of various types of handbags and leather products, establishment of research and development institutions to research and develop on leather products, clothing and suitcases

**(b) Sitoy Yingde**

- (i) Name of the enterprise: 時代(英德)皮具製品有限公司  
(Sitoy (Yingde) Leather Products Co., Ltd.)
- (ii) Date of establishment: 11 December 2006
- (iii) Economic nature: Wholly foreign-owned enterprise
- (iv) Registered owner: Sitoy Company
- (v) Total investment capital: HK\$220 million
- (vi) Registered capital: HK\$220 million
- (vii) Attributable interest to our Group: 100%
- (viii) Term of operation: From 11 December 2006 to 11 December 2056
- (ix) Scope of business: Manufacture and sale of handbags

**(c) Sitoy Guangzhou**

- (i) Name of the enterprise: 廣州美樂時皮具有限公司  
(Guangzhou Sitoy Leather Goods Company Limited\*)
- (ii) Date of establishment: 18 January 2011
- (iii) Economic nature: Wholly foreign-owned enterprise
- (iv) Registered owner: Sitoy Retailing
- (v) Total investment capital: HK\$50 million
- (vi) Registered capital: HK\$25 million
- (vii) Attributable interest to our Group: 100%
- (viii) Term of operation: From 18 January 2011 to 18 January 2041

- (ix) Scope of business: Commissioned agency (excluding auction), wholesale, retail (limited to be operated by branch office), import and export of leather products, handbags, suitcases, shoes and hats, clothing, accessories and jewelry (gold and diamond excluded) and provision of related ancillary services (business prohibited by law and regulations shall not be conducted, commodities involving quota permit management and specific regulation management shall be handled in accordance with the relevant regulations of PRC).

#### **7. Repurchase by our Company of our own securities**

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

##### **(a) Shareholders' approval**

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

*Note:* Pursuant to a resolution in writing passed by the Shareholders on 15 November 2011, the Repurchase Mandate was given to our Directors authorizing any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Global Offering and the Capitalization Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option, such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association, the Companies Law or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting renewing, revoking or varying the authority given to our Directors, whichever occurs first.

##### **(b) Source of funds**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum, Articles of Association and the applicable laws and regulations of the Cayman Islands. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Cayman Islands laws, any repurchases by us may be made out of our profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if so authorized by the Articles of Association and subject to the Companies Law, out of our capital. Any premium payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of our profits or from sums standing to the credit of our share premium account or, if authorized by the Articles of Association and subject to the Companies Law, out of our capital.

##### **(c) Reasons for repurchases**

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

**(d) Funding of repurchases**

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

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

The exercise in full of the Repurchase Mandate, on the basis of 998,400,000 Shares in issue immediately after the completion of the Global Offering and the Capitalization Issue but excluding any Shares which may be issued pursuant to the exercise of the Over-allotment Option and options which may be granted under the Share Option Scheme, would result in up to 99,840,000 Shares being repurchased by us during the period in which the Repurchase Mandate remains in force.

**(e) General**

None of our Directors nor any of their associates currently intends to sell any Shares to our Company or our subsidiaries.

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

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Code on Takeovers and Mergers of Hong Kong (the "Takeovers Code"). Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

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

**FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY****8. Summary of material contracts**

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

- (a) a trademark license agreement dated 10 January 2011 and entered into between TUSCAN'S Europe and our Company, pursuant to which TUSCAN'S Europe, in consideration of an advance payment of EUR200,000, being the first installment payment of the Acquisition Price (as defined below), granted to our Company and/or other person which is controlled by, controls, or is under common control with our Company, an exclusive license to use the "TUSCAN'S" trademark to design, manufacture, distribute and promote products under the classes and in the territories as specified therein and for all purposes in relation thereto, until the assignment of the trademark to our Company and/or other person which is controlled by, controls, or is under common control with our Company;
- (b) a trademark assignment agreement dated 16 February 2011 and entered into between TUSCAN'S Europe and Sitoy Retailing, pursuant to which TUSCAN'S Europe agreed to assign the "TUSCAN'S" trademark in Hong Kong, Macau, Taiwan, Thailand, Malaysia, the United Arab Emirates, the United States, the PRC, Japan, Singapore and South Korea at a total consideration of EUR600,000 (the "Acquisition Price"), upon registrations of the trademark in their respective jurisdictions, to Sitoy Retailing and/or any of its designated person which is controlled by, controls, or is under common control with Sitoy Retailing;
- (c) an assignment dated 16 February 2011 and entered into between TUSCAN'S Europe and Sitoy Guangzhou in pursuance of the trademark assignment agreement stated in paragraph (b) above, pursuant to which TUSCAN'S Europe assigned to Sitoy Guangzhou right, title and interest in and goodwill relating to the "TUSCAN'S" trademark registered in the PRC and Japan as designated countries under international trademark registration;
- (d) a deed of assignment dated 28 May 2011 and entered into among Sitoy Company, Sitoy Handbag, Mr. Yeung Wah Keung and Mr. Yeung Wo Fai in relation to the assignments by Sitoy Handbag of account receivables owing to Sitoy Handbag by Sitoy Company (being an amount due for the funding of Sitoy Company's investment in Sitoy Yingde by Sitoy Handbag) (the "Account Receivables") in the amount of HK\$230,000,000 to Mr. Yeung Wah Keung and Mr. Yeung Wo Fai;
- (e) a deed of assignment dated 28 May 2011 and entered into among Mr. Yeung Wah Keung, our Company and Sitoy Company, pursuant to which Mr. Yeung Wah Keung assigned the Account Receivables in the amount of HK\$149,500,000 owed by Sitoy Company to our Company, and in consideration of such assignment, our Company issued and allotted 65 Shares to Mr. Yeung Wah Keung credited as fully paid;






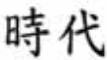










- (f) a deed of assignment dated 28 May 2011 and entered into among Mr. Yeung Wo Fai, our Company and Sitoy Company, pursuant to which Mr. Yeung Wo Fai assigned the Account Receivables in the amount of HK\$80,500,000 owed by Sitoy Company to our Company, and in consideration of such assignment, the Company issued and allotted 35 Shares to Mr. Yeung Wo Fai credited as fully paid;
- (g) a deed of assignment dated 28 May 2011 and entered into among Mr. Yeung Wah Keung, our Company and Sitoy Handbag, pursuant to which Mr. Yeung Wah Keung assigned the interim dividend payable by Sitoy Handbag in the amount HK\$110,500,000 to our Company, and in consideration of such assignment, our Company issued and allotted 65 Shares to Mr. Yeung Wah Keung credited as fully paid; and
- (h) a deed of assignment dated 28 May 2011 and entered into among Mr. Yeung Wo Fai, our Company and Sitoy Handbag, pursuant to which Mr. Yeung Wo Fai assigned the interim dividend payable by Sitoy Handbag in the amount of HK\$59,500,000 to our Company, and in consideration of such assignment, the Company issued and allotted 35 Shares to Mr. Yeung Wo Fai credited as fully paid;
- (i) a deed for sale and purchase dated 20 June 2011 and entered into among Sitoy Factory, Mr. Yeung Wah Keung and Mr. Yeung Wo Fai, pursuant to which Sitoy Factory acquired the entire issued share capital of Sitoy Handbag in consideration of which Sitoy Factory issued and allotted 65 shares in Sitoy Factory to Mr. Yeung Wah Keung and 35 shares in Sitoy Factory to Mr. Yeung Wo Fai, credited as fully paid up;
- (j) a deed for sale and purchase dated 20 June 2011 and entered into among Sitoy Investment, Mr. Yeung Wah Keung and Mr. Yeung Wo Fai, pursuant to which Sitoy Investment acquired the entire issued share capital of Sitoy Company in consideration of which Sitoy Investment issued and allotted 65 shares in Sitoy Investment to Mr. Yeung Wah Keung and 35 shares in Sitoy Investment to Mr. Yeung Wo Fai, credited as fully paid up;
- (k) a deed for sale and purchase dated 13 July 2011 and entered into among our Company, Mr. Yeung Wah Keung and Mr. Yeung Wo Fai, pursuant to which our Company acquired the entire issued shares of Sitoy Factory in consideration of which our Company issued and allotted 65 new Shares to Mr. Yeung Wah Keung and 35 new Shares to Mr. Yeung Wo Fai, credited as fully paid up;
- (l) a deed for sale and purchase dated 13 July 2011 and entered into between our Company, Mr. Yeung Wah Keung and Mr. Yeung Wo Fai, pursuant to which our Company acquired the entire issued shares of Sitoy Investment in consideration of which our Company issued and allotted 65 new Shares to Mr. Yeung Wah Keung and 35 new Shares to Mr. Yeung Wo Fai, credited as fully paid up;
- (m) an assignment dated 30 August 2011 and entered into between TUSCAN'S Europe and Sitoy Retailing in pursuance of the trademark assignment agreement stated in paragraph (b) above, under which TUSCAN'S Europe assigned to Sitoy Retailing right, title and interest in and goodwill relating to the "TUSCAN'S" trademark registered in Hong Kong;


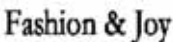




- (n) an assignment dated 10 October 2011 and entered into between TUSCAN'S Europe and Sitoy Retailing in pursuance of the trademark assignment agreement stated in paragraph (b) above, under which TUSCAN'S Europe assigned to Sitoy Retailing right, title and interest in and goodwill relating to the "TUSCAN'S" trademark registered in Macau;
- (o) a cornerstone investment agreement dated 9 November 2011 and entered into between our Company, Prada Far East B.V. ("Prada") and Merrill Lynch International, pursuant to which Prada agreed to subscribe at the Offer Price for an amount of Offer Shares equal to approximately 4.9% of the total issued and outstanding share capital of our Company immediately following the completion of the Global Offering, not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and upon exercise of any option granted under the Share Option Scheme;
- (p) a cornerstone investment agreement dated 12 November 2011 and entered into between our Company, Keen Achieve Limited, IDG-Accel China Capital L.P. and Merrill Lynch International, pursuant to which Keen Achieve Limited agreed to subscribe at the Offer Price for an amount of Offer Shares equal to 5.5% of the total issued and outstanding share capital of our Company immediately following the completion of the Global Offering, not taking into account any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and any Shares which may be issued upon exercise of any option granted under the Share Option Scheme;
- (q) a deed of indemnity dated 23 November 2011 and executed by Mr. Yeung Michael Wah Keung and Mr. Yeung Wo Fai in favor of our Company (for itself and as trustee for each of our subsidiaries stated therein), pursuant to which Mr. Yeung Michael Wah Keung and Mr. Yeung Wo Fai agreed to give the indemnities more particularly referred to in "Estate duty, tax and other indemnities" of this appendix; and
- (r) the Hong Kong Underwriting Agreement.

## 9. Intellectual property rights of our Group



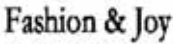








### Trademarks

As at the Latest Practicable Date, our Group was the registered proprietor and beneficial owner of the following trademarks which are material to the business of our Group:




No.	Trademark	Registered owner	Place of registration	Class	Registration number	Duration of validity
1.		The Company	Hong Kong	14, 18, 25, 26 (Note b1)	301736307	14-10-2010 – 13-10-2020
2.		The Company	Hong Kong	14, 18, 25, 26 (Note b1)	301736299	14-10-2010 – 13-10-2020
3.		Sitoy Retailing	Hong Kong	14, 18, 25, 26 (Note b1)	301782702	07-12-2010 – 06-12-2020
4.		The Company	Hong Kong	14, 18, 26 (Note b1)	301737036	15-10-2010 – 14-10-2020
5.		The Company	Hong Kong	14, 18, 25, 26 (Note b1)	301736280	14-10-2010 – 13-10-2020
6.		Sitoy Company	Hong Kong	18 (Note b2)	199708880	07-10-1996 – 07-10-2013
7.		Sitoy Retailing	Hong Kong	14, 25, 26 (Note b1)	301846099	01-03-2011 – 28-02-2021
8.		The Company	United Kingdom	14, 18, 25, 26 (Note e)	2567951	24-12-2010 – 24-12-2020
9.		The Company	United Kingdom	14, 18, 25, 26 (Note e)	2567961	24-12-2010 – 24-12-2020
10.		The Company	United Kingdom	14, 18, 25, 26 (Note e)	2567952	24-12-2010 – 24-12-2020
11.		Sitoy Retailing	Macau	14, 25, 26 (Note c1)	N/55010 N/55011 N/55012	24-06-2011 – 24-06-2018
12.		Sitoy Guangzhou	PRC (as a designated country under the International Trademark Registration)	18, 25 (Notes a, d)	Designated under International Trademark Registration no. 731038A	10-03-2000 – 10-03-2020
13.		Sitoy Dongguan	PRC	14, 18, 25, 26 (Note e)	8734237 8734252 8734338 8734345	21-10-2011 – 20-10-2021
14.		Sitoy Dongguan	PRC	14, 18, 26 (Note e)	8738096 8734309 8738106	21-10-2011 – 20-10-2021

No.	Trademark	Registered owner	Place of registration	Class	Registration number	Duration of validity
15.		Sitoy Dongguan	PRC	14, 18, 25 (Note e)	8760462 8760475 8760486	28-10-2011 – 27-10-2021
16.		Sitoy Dongguan	PRC	14 (Note e)	8775497	07-11-2011 – 06-11-2021
17.		Sitoy Guangzhou	Japan (as a designated country under the International Trademark Registration)	18,25 (Notes a, f)	Designated under International Trademark Registration no. 731038A	10-03-2000 – 10-03-2020
18.		The Company	Taiwan	14, 18, 25, 26 (Note e)	01472452	01-09-2011 – 31-08-2021
19.		The Company	Taiwan	14, 18, 25, 26 (Note e)	01472453	01-09-2011 – 31-08-2021
20.		The Company	Taiwan	14, 18, 25, 26 (Note e)	01472454	01-09-2011 – 31-08-2021

As at the Latest Practicable Date, applications had been made by our Group for the registration of the following trademarks:

No.	Trademark	Applicant	Place of application	Class	Application number	Application Date
1.		The Company	Hong Kong	14, 18, 25, 26 (Note b1)	302043765	28-09-2011
2.		Sitoy Dongguan	PRC	25 (Note e)	8734323	12-10-2010
3.		Sitoy Dongguan	PRC	18, 25 (Note e)	8775530 8775568	25/10/2010
4.		Sitoy Dongguan	PRC	14, 18, 25 (Note e)	8823027 8823053 8823071	08-11-2010
5.		The Company	Italy	14, 18, 25, 26 (Note e)	MC2011C000051	28-01-2011
6.		The Company	Italy	14, 18, 25, 26 (Note e)	MC2011C000050	28-01-2011
7.		The Company	Italy	14, 18, 25, 26 (Note e)	MC2011C000052	28-01-2011
8.		Sitoy Guangzhou	Japan	14, 26 (Note d)	2011-25978	13-04-2011
9.		The Company	United States	14, 18, 25, 26 (Note g)	85/201,928	20-12-2010
10.		The Company	United States	14, 18, 25, 26 (Note g)	85/202,004	20-12-2010
11.		The Company	United States	14, 18, 25, 26 (Note g)	85/202,047	20-12-2010

As at the Latest Practicable Date, the right, title and interest in the following trademarks were assigned to us and applications for record of assignment to the relevant government trademark office/registry were in progress:

No.	Trademark	Assignee	Place of registration	Class	Registration number	Expiry date
1.		Sitoy Retailing	Hong Kong	18 (Notes a, b3)	301734192	11-10-2020
2.		Sitoy Retailing	Macau	18 (Notes a, c2)	N/52930	25-03-2018
3.		Sitoy Company	Italy	18 (Note e)	754194	23-10-2016

*Notes:*

(a) "TUSCAN'S" trademark assigned to us pursuant to our trademark assignment agreement with TUSCAN'S Europe.

(b1)	<b>Class</b>	<b>Specification of Goods in Hong Kong</b>
	14	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
	18	Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
	25	Clothing, footwear, headgear.
	26	Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
(b2)	<b>Class</b>	<b>Specification of Goods in Hong Kong</b>
	18	Leather and imitations of leather, and goods made of these materials and not included in other classes; bags, wallets and trunks; all included in Class 18.
(b3)	<b>Class</b>	<b>Specification of Goods in Hong Kong</b>
	18	Bags, shoulder bags, briefcases, duffle bags, clutch bags, attaché-cases, suitcases, garment bags, backpacks, trunks, travelling bags, wallets, purses, business card cases of leather, credit card cases leather goods, key cases made of leather, cosmetic bags sold empty, waist packs, umbrellas, parasols, walking sticks.
(c1)	<b>Class</b>	<b>Specification of Goods in Macau</b>
	14	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
	25	Clothing, footwear, headgear.
	26	Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.

(c2)	<b>Class</b>	<b>Specification of Goods in Macau</b>
	18	Shoulder bags, handbags, briefcases, duffle bags, attaché-cases, suitcases, backpacks, travelling bags, wallets, purses, key cases, cosmetic bags sold empty, waist packs, umbrellas, walking sticks.
(d)	<b>Class</b>	<b>Specification of Goods in the PRC (under international trademark registration) and Japan (under local registration)</b>
	14	Precious metals and their alloys and goods in precious metals or coated therewith, not included in other classes; jewellery, precious stones; horological and chronometric instruments.
	18	Leather and imitations of leather, and goods made of these materials and not included in other classes; animal skins, hides; trunks and travelling bags; umbrellas, parasols and walking sticks; whips, harness and saddlery.
	25	Clothing, footwear, headgear.
	26	Lace and embroidery, ribbons and braid; buttons, hooks and eyes, pins and needles; artificial flowers.
(e)	<b>Class</b>	<b>Specification of Goods in the United Kingdom, the PRC (under local registration), Italy and Taiwan</b>
	14	Silver ornaments; bracelets (jewellery); charms (jewellery); brooches (jewellery); chains (jewellery); necklaces (jewellery); tie clips; rings (jewellery) earrings; cuff links; pins (jewellery); pins (tie-); key rings (trinkets or fobs).
	18	Purses; school bags; card cases (notecases); travelling trunks; backpacks; pocket wallets; shopping bags; attaché cases; vanity cases; briefcases; valises; handles (suitcase-); shoulder belts (straps), of leather.
	25	Footwear; boots; half-boots; lace boots; gaiters; slippers; sandals; shoes; sports shoes; sports boots.
	26	Shoes fasteners; dress fastenings; buttons; belts clasps; shoes hooks; zippers; slide locks for bags; shoes buckles.
(f)	<b>Class</b>	<b>Specification of Goods in Japan (under international trademark registration)</b>
	18	Leather and imitation leather, goods made of these materials not included in other classes; animal skins, pelts and hides; trunks and suitcases; umbrellas, parasols and walking sticks; whips and saddlery, all these products originating from Italy.
	25	Clothing, footwear, headgear, all these products originating from Italy.
(g)	<b>Class</b>	<b>Specification of Goods in the United States</b>
	14	Ornaments of precious metal, bracelets, charms, brooches, jewelry chains, necklaces, tie clips, rings, earrings, cuff links, pins being jewelry, tie pins, key rings of precious metal.
	18	Purses, school bags, business cards cases, travelling trunks, backpacks, pocket wallets, reusable shopping bags, attaché cases, vanity cases sold empty, briefcases, valises, handles for suitcases, shoulder straps.
	25	Footwear, boots, booties, lace boots, gaiters, slippers, sandals, shoes, sports shoes, boots for sports.
	26	Fasteners for shoes, fastenings for dresses, namely, buttons, belt clasps, shoe hooks, zippers, shoe buckles.

**Domain Name**

As at the Latest Practicable Date, our Group had registered the following domain name which is being used in the business of our Group:

<b>No.</b>	<b>Domain name</b>	<b>Registrant</b>	<b>Expiry date</b>
1.	sitoy.hk .....	Sitoy Handbag	12-12-2011 <sup>(1)</sup>
2.	tuscans.net .....	Sitoy Guangzhou	22-02-2021
3.	tuscans.hk .....	Sitoy Guangzhou	22-02-2016
4.	tuscan.cn .....	Sitoy Guangzhou	04-03-2021
5.	tuscan.com.cn .....	Sitoy Guangzhou	04-03-2021
6.	tuscan.net.cn .....	Sitoy Guangzhou	04-03-2021
7.	sitoychina.com.....	Sitoy Dongguan	09-04-2016
8.	sitoy.com .....	Sitoy Handbag	27-10-2014
9.	sitoygroup.com .....	Sitoy Handbag	14-06-2012
10.	sitoygroup.hk.....	The Company	15-06-2012
11.	tuscans.asia.....	The Company	15-06-2012
12.	tuscans.co .....	The Company	15-06-2012
13.	tuscans.com.hk.....	The Company	17-06-2012
14.	sitoygroup.cn .....	Sitoy Dongguan	02-07-2012

*Note:* None of the contents in our Group's websites at the above domain names form any part of this prospectus. In addition, our Company intends to apply for renewal of registration of the domain name "sitoy.hk" before its expiry date and we are not aware of any obstacles or impediments to such renewal application.

**10. Related party transactions**

Our Group entered into the related party transactions as disclosed in note 35 to our combined financial statements included in the Accountants' Report, the text of which is set out in Appendix I to this prospectus, during the two years immediately preceding the date of this prospectus.

**FURTHER INFORMATION ABOUT DIRECTORS AND SHAREHOLDERS****11. Directors****(a) Disclosure of interests of the Directors**

- (i) Each of Mr. Yeung Michael Wah Keung and Mr. Yeung Wo Fai is interested in the Reorganization.

- (ii) Save as disclosed in “Our History and Reorganization”, “Connected Transactions”, Appendix I to this prospectus and in this appendix, none of our Directors or their associates was engaged in any dealings with our Group during the two years preceding the date of this prospectus.

**(b) Particulars of Directors’ service contracts**

*Executive Directors*

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years commencing from the Listing Date. Either the Company or the executive Director may give at least six months’ written notice to the other party for early termination of the service contract.

Each of our executive Directors is entitled to a basic salary under their respective service contracts with our Company as set out below (subject to any annual increment to be determined by the remuneration committee of our Company after the first year of the appointment):

<u>(i) Name</u>	<u>(ii) Annual salary</u>
	(HK\$)
Mr. Yeung Michael Wah Keung .....	50,000
Mr. Yeung Wo Fai .....	50,000
Mr. Yu Chun Kau .....	50,000
Mr. Chan Ka Dig Adam .....	50,000
Mr. Yeung Andrew Kin .....	50,000

*Independent non-executive Directors*

None of the independent non-executive Directors has entered into any service contract with the Group. Pursuant to the letter of appointment entered into between the Company and each of our independent non-executive Directors, each of our independent non-executive Directors has been appointed for an initial term of three years commencing from the Listing Date. Either the Company or the independent non-executive Director may give a three months’ written notice to the other party for early termination of appointment, provided that the written notice shall not be given less than three months before the expiry of the period of appointment.

Each of our independent non-executive Directors is entitled to a remuneration of HK\$200,000 per annum. Save for such remuneration, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

The appointment of each of the Directors is subject to removal provisions and provisions on retirement by rotation of Directors set out in the Articles. None of our Directors has or is proposed to have a service contract with our Company or any of our subsidiaries other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).



**(c) Remuneration of Directors**

- (i) The aggregate remuneration paid and benefits in kind granted by our Group to our Directors in respect of the year ended 30 June 2011 were HK\$3.3 million.
- (ii) Under the arrangements currently in force, the aggregate remuneration (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including our independent non-executive Directors) for the year ending 30 June 2012 are expected to be approximately HK\$10.0 million.
- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the three Fiscal Years 2009, 2010 and 2011 as (i) an inducement to join or upon joining our Group; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any remuneration for each of the three Fiscal Years 2009, 2010 and 2011.

**(d) Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations**

Immediately following completion of the Global Offering and the Capitalization Issue and taking no account of any Shares which may be allotted and issued pursuant to the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme, the interests and short positions of our Directors and a chief executive of our Company in the shares, underlying shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, once the Shares are listed, will be as follows:

<u>Name of Director</u>	<u>Name of Group member/ associated corporation</u>	<u>Capacity/nature of interest</u>	<u>Number and class of securities</u>	<u>Percentage of shareholding</u>
Yeung Michael Wah Keung . .	our Company	Beneficial owner	486,720,000 Shares	48.75%
Yeung Wo Fai . . . . .	our Company	Beneficial owner	262,080,000 Shares	26.25%

**12. Interests discloseable under the SFO and substantial shareholders**

So far as our Directors are aware, immediately following the completion of the Global Offering and the Capitalization Issue (but without taking into account of any Shares which may be taken up or acquired under the Global Offering and any Shares which may be allotted and issued upon the exercise of the Over-allotment Option and the options which may be granted under the Share Option Scheme), other than a Director or chief executive of our Company whose interests are disclosed under “Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations” above, the following persons will have an interest or short position in the shares or underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

<u>Name of Shareholders</u>	<u>Name of Group member/ associated corporation</u>	<u>Capacity/nature of Interest</u>	<u>Number and class of securities</u>	<u>Percentage of shareholding</u>
Keen Achieve Limited . . . . .	our Company	Beneficial owner	54,912,000 Shares (Note)	5.5%
IDG – Accel China Capital L.P. . . . .	our Company	Interest of a controlled corporation	54,912,000 Shares (Note)	5.5%

*Note:*

- (1) 95.59% of the issued share capital of Keen Achieve Limited is owned by IDG-Accel China Capital L.P. IDG-Accel China Capital L.P. is deemed to be interested in the 54,912,000 Shares which will be beneficially owned by Keen Achieve Limited upon the Listing.

**13. Disclaimers**

- (a) Save as disclosed in “Interest discloseable under the SFO and substantial shareholders” in this appendix, and taking no account of any Shares which may be taken up or acquired under the Global Offering or upon the exercise of the Over-allotment Option and any options which may be granted under the Share Option Scheme, our Directors are not aware of any person (not being a Director or chief executive of our Company) who will, immediately following the completion of the Global Offering and the Capitalization Issue, have an interest or a short position in the shares and underlying shares of our Company which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;

- (b) save as disclosed in “Interests and short positions of our Directors in the shares, underlying shares or debentures of our Company and our associated corporations” in this appendix, none of our Directors has any interest or short position in any of the shares, underlying shares or debentures of our Company or any associated corporations within the meaning of Part XV of the SFO, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which will be required to notify our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, in each case once the Shares are listed;
- (c) none of our Directors nor any of the parties listed in the paragraph 21 below has been interested in the promotion of, or has any direct or indirect interest 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 our Company or any of the subsidiaries of our Company, or are proposed to be acquired or disposed of by or leased to our Company or any other member of us;
- (d) save as disclosed in the “Connected Transactions” and the paragraphs headed “Summary of material contracts” in this appendix, none of our Directors nor any of the parties listed in paragraph 21 below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our business; and
- (e) save in connection with the Underwriting Agreements, none of the parties listed in paragraph 21 below:
  - (i) is interested legally or beneficially in any securities of any member of us; or
  - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of us.

## OTHER INFORMATION

### *14. Share Option Scheme*

#### **(a) Summary of terms**

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted in compliance with Chapter 17 of the Listing Rules by a resolution in writing passed by all Shareholders on 15 November 2011. The following summary does not form, nor is intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

##### *(i) Purposes of the scheme*

The purpose of the Share Option Scheme is to provide our Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Participants (as defined in paragraph (ii) below) and for such other purposes as the Board may approve from time to time.

*(ii) Who may join*

The Board may, at its discretion, invite any directors (excluding independent non-executive Directors), any senior managers or any employees (whether full-time or part-time) of each member of the Group provided that the Board shall have absolute discretion to determine whether or not one falls within the above categories; (together, the “Participants” and each a “Participant”), to take up options to subscribe for Shares at a price determined in accordance with paragraph (vi) 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.

*(iii) Conditions*

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

- (aa) the Listing Committee 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 options under the Share Option Scheme;
- (bb) 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; and
- (cc) the commencement of dealings in the Shares on the Stock Exchange.

If the above conditions are not satisfied on or before the date which is the 60th day after the date of this prospectus, the 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 Share Option Scheme.

*(iv) Duration and Administration*

- (aa) Subject to the fulfillment of the conditions in paragraph (iii) above and the termination provisions in paragraph (xvi) below, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on 15 November 2011, after which period no further options will be issued but in all other respects, subject to the compliance with the provisions of Chapter 17 under the Listing Rules, the provisions of the Share Option Scheme shall remain in full force and effect, and options which are granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.
- (bb) The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpreter or effect (save as otherwise provided in the Share Option Scheme) shall be final and binding on all parties.

- (cc) Subject to compliance with the requirements of the Listing Rules and the provisions of the Share Option Scheme, the Board shall have the right (i) to interpret and construe the provisions of the Share Option Scheme; (ii) to determine the persons who will be awarded options under the Share Option Scheme and the number of Shares to be issued under the option; (iii) to determine the price per Share at which a Grantee (as defined in paragraph (v) below) may subscribe for Shares on the exercise of an option (the “Subscription Price”); (iv) to make such appropriate and equitable adjustments to the terms of options granted under the Share Option Scheme as it deems necessary; and (v) to make such other decisions, determinations or regulations as it shall deem appropriate in the administration of the Share Option Scheme.
- (v) *Grant of options*
- (aa) On and subject to the requirements of the Listing Rules and the terms of the Share Option Scheme, the Board shall be entitled at any time, within 10 years after 15 November 2011 to make an offer of the grant of an option (the “Offer”) to any Participant as the Board may in its absolute discretion select and subject to any such conditions as the Board may at its absolute discretion think fit, to subscribe for such number of Shares as the Board may (subject to paragraphs (ix) and (x) below) determine at the Subscription Price.
- (bb) No Offer shall be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until such price sensitive information has been published pursuant to the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (i) the date of the meeting of the Board (as such date is first notified by our Company to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no option may be granted.
- (cc) 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 option and the Option Period (as defined in paragraph (vii) below) and requiring the Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme. An Offer must be made on a day on which the Stock Exchange is open for business of dealing in securities and shall remain open for acceptance by the Participant concerned 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 dates inclusive), provided that no such Offer shall be open for acceptance after the 10th anniversary from 15 November 2011 or after the Share Option Scheme has been terminated in accordance with the provisions hereof, whichever is earlier.

- (dd) An Offer shall be deemed to have been accepted by any Participant who accepts the Offer in accordance with the terms of the Share Option Scheme (the “Grantee”) and the 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 comprising acceptance of the Offer duly signed by the Grantee together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the granting thereof is received by our Company within the period as stipulated in sub-paragraph (cc) above. Such remittance shall in no circumstances be refundable or be considered as part of the Subscription Price.
- (ee) Any Offer may be accepted in respect of less than the number of Shares for which it is offered provided that it is accepted in respect of such number of Shares as representing board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and the number of Shares in respect of which the Offer is accepted is clearly stated in the duplicate of the Offer Letter received by our Company as mentioned in sub-paragraph (dd) above. To the extent that the Offer is not accepted within the Acceptance Period and in the manner stipulated in sub-paragraph (dd) above, it will be deemed to have been irrevocably declined and will automatically lapse.
- (ff) Subject to the provisions of the Share Option Scheme and the Listing Rules, the Board may when making the Offer impose any conditions, restrictions or limitations in relation to the option as it may at its absolute discretion think fit.

(vi) *Subscription Price*

Subject to any adjustments made pursuant to paragraph (xi) below, the Subscription Price in respect of each Share issued pursuant to the exercise of the options granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a Participant and shall be at least the highest of:

- (aa) the closing price of the Shares as stated in the Stock Exchange’s daily quotation sheet on the Offer Date;
- (bb) a price being the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotation sheets for the 5 business days immediately preceding the Offer Date (provided that the new issue price shall be used as the closing price for any business day falling within the period before the Listing where our Company has been listed for less than 5 business days as at the Offer Date); and
- (cc) the nominal value of a Share.

(vii) *Exercise of options*

- (aa) An 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 favor of any third party over or in relation to any option or attempt to do so. Where the Grantee is a company, any change of its controlling shareholder or any substantial change in its management (which is to be determined by the Board at its

absolute discretion) will be deemed to be a sale or transfer of interest aforesaid. Any breach of the foregoing of a Grantee shall render all outstanding options of such Grantee automatically cancelled in accordance with sub-paragraph (viii) (ff) below.

- (bb) Unless otherwise determined by the Board and specified in the Offer Letter at the time of the Offer, there is neither any performance target that needs to be achieved by the Grantee before an option can be exercised nor any minimum period for which an option must be held before the option can be exercised. An option may be exercised in whole or in part in the manner as set out in the Offer Letter and the sub-paragraph (cc) below by the Grantee (or his personal representative(s)) giving notice in writing to our Company stating that the 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. Within 28 days after receipt of the notice and where appropriate, receipt of the certificate of the independent financial adviser or the auditors for the time being of the Company pursuant to paragraph (xi) below, our Company shall allot and issue the relevant Shares to the Grantee (or his personal representative(s)) credited as fully paid and shall instruct the share registrar of the Company to issue to the Grantee (or his personal representative(s)) a share certificate in respect of the Shares so allotted.
- (cc) Subject to as hereinafter provided and subject to the terms and conditions upon which such option was granted, an 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 an option may be exercised and in any event, such period shall not be longer than 10 years from the Offer Date (the "Option Period") provided that:
- (i) in the event 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 or appointment on one or more of the grounds specified in sub-paragraph (viii) (dd) below, the Grantee may exercise the option up to the Grantee's entitlement at the date of cessation (to the extent which has become exercisable and not already exercised) within the period of 1 months (or such longer period as the Board may determine) following the date of such cessation, which date shall be the 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 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;
- (ii) in the event the Grantee dies before exercising the option in full and none of the events which would be a ground for termination of the Grantee's employment, directorship, office or appointment under sub-paragraph (viii) (dd) 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 option up to the entitlement of such Grantee at the date of death (to the extent which has become exercisable and not already exercised) or, if appropriate, make an election pursuant to the sub-paragraphs (iii), (iv) or (v) below;

- (iii) if a general offer (other than by way of scheme of arrangement pursuant to sub-paragraph (iv) 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, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands 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 Option (to the extent which has become exercisable on the date of the notice of the offeror and not already exercised) to its full extent or to the extent specified in such notice;
- (iv) 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 number 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 our Company, after which it shall lapse) exercise the option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in such notice;
- (v) other than a general offer contemplated in sub-paragraph (iii) or (iv) above, if a compromise or arrangement between our Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the Grantee on the same date as it dispatches the notice which is sent to each Shareholder or creditor of our 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 options (to the extent which has become exercisable and not already been exercised) whether in full or in part, but the exercise of an 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 options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may thereafter require the Grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of 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
- (vi) in the event of a notice is given by our Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, our Company shall on the same date as or soon after it dispatches such notice to convene the shareholders’ meeting, give notice thereof to all Grantees and thereupon, the Grantees (or their



legal personal representative(s)) may, subject to the provisions of all applicable laws, by notice in writing to our Company (such notice to be received by our Company not later than 2 business days prior to the proposed general meeting) exercise the option (to the extent which has become exercisable and 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 our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid. If such resolution is duly passed, all options shall, to the extent that they have not been exercised, there upon cease and determine.

- (dd) The Shares to be allotted upon the exercise of an 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 option falls on a date upon which the register of Shareholders is closed then the exercise of the option shall become effective on the first day on which the Stock Exchange is open for business of dealing in securities in Hong Kong on which the register of Shareholders is re-opened.

*(viii) Lapse of options*

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

- (aa) the expiry of the Option Period (subject to provisions of sub-paragraph (iv) (aa) and (xiv));
- (bb) the expiry of the periods referred to in the above sub-paragraphs (vii) (cc) (i), (ii) or (iii) above, where applicable;
- (cc) subject to the scheme of compromise and arrangement becoming effective, the expiry of the period referred to in the above sub-paragraph (vii) (cc) (iv) or (v) above;
- (dd) subject to the expiry of the period of extension (if any) referred to in paragraph (vii) (cc) (i), the date on which the Grantee ceases to be a Participant by reason of the termination of his employment, directorship, office or appointment 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 engagement contract (as the case may be), or appears either to be unable to pay or have no reasonable prospect to be able to pay debts within the meaning of any applicable legislation in relation to bankruptcy or insolvency, or has become bankrupt or insolvent, or has been served a petition for bankruptcy or winding-up, 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 company, as the case may be) on

any other ground on which an employer, a sourcing party or an engaging party would be entitled to terminate his employment, directorship, office or appointment at common law or pursuant to any applicable laws or under the Grantee's employment contract, service contract or engagement contract (as the case may be) with the relevant company (as the case may be), in the event of which a resolution of the board of directors or governing body of the relevant company or substantial shareholder of the Company (as the case may be) to the effect that the employment, directorship, office or appointment of a Grantee has or has not been terminated on one or more of the above grounds shall be conclusive;

- (ee) subject to sub-paragraph (vii) (cc) (vi) above, the date of the commencement of the winding-up of our Company;
- (ff) the date on which the Grantee commits a breach of sub-paragraph (vii) (aa) above; or
- (gg) the date on which the option is cancelled by the Board as provided in paragraph (xv) below.

Our Company shall owe no liability to any Grantee for the lapse of any option under this paragraph (viii).

(ix) *Maximum number of Shares available for subscription*

- (aa) Subject to sub-paragraph (bb) below:
  - (i) The total number of Shares, which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following completion of the Global Offering and the Capitalization Issue, unless our Company obtains an approval from its Shareholders pursuant to sub-paragraph (ii) below. The options lapsed in accordance with the terms of the Share Option Scheme will not be counted for the purpose of calculating such 10% limit.
  - (ii) Our Company may seek approval of its Shareholders in general meeting for refreshing the 10% limit set out in sub-paragraph (i) above under the Share Option Scheme such that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company (or its subsidiary) under the limit as refreshed shall not exceed 10% of the total number of Shares in issue as at the date of approval to refresh such limit. Options previously granted under the Share Option Scheme and any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes or exercised options) will not be counted for the purpose of calculating such limit as refreshed. In such a case, our Company shall send a circular to its Shareholders containing the information required under the Listing Rules.

- (iii) Our Company may seek separate approval by its Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of such limit are granted only to Participants specifically identified by our Company before such approval is sought. In such a case, our Company shall send a circular to its Shareholders containing, among other terms, a generic description of the specified Participant(s) who may be granted such options, the number of Shares subject to the options to be granted, the terms of the options to be granted, the purpose of granting options to the specified Participant(s), an explanation as to how the terms of the options serve such purpose and such other information as required under the Listing Rules.
  
- (bb) Notwithstanding any provision in sub-paragraph (aa) above and subject to paragraph (xi), the limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not exceed 30% of total number of the Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option schemes of our Company (or its subsidiary) if this will result in such limit being exceeded.
  
- (x) *Maximum entitlement of Shares of each Participant*
  
- (aa) (i) Subject to sub-paragraph (ii) below, the total number of Shares issued and to be issued upon exercise of the options granted to each Participant (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the total number of Shares in issue.
  
- (ii) Notwithstanding sub-paragraph (i) above, where any further grant of options to a Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such Participant under the Share Option Scheme and any other share option schemes of our Company (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the total number of Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Participant and his associates abstaining from voting. The number and terms (including the Subscription Price) of the options to be granted to such Participant shall be fixed before shareholders' approval and the date of Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the Subscription Price. In such a case, our Company shall send a circular to its Shareholders containing, among other terms, the identity of such Participant, the number and the terms of the options to be granted (and options previously granted to such Participant) and such other information as required under the Listing Rules.
  
- (iii) In addition to the above paragraph (ix) and sub-paragraphs (i) and (ii) above, any grant of options to a Participant who is a director, chief executive or substantial shareholder of our Company or their respective associates must be approved by the independent non-executive Directors of our Company (excluding independent non-executive Director who is a Grantee).

(iv) In addition to the above paragraph (ix) and sub-paragraphs (i) and (ii) above, where the Board proposes to grant any option to a Participant who is a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) to him in the 12-month period up to and including the proposed Offer Date of such grant (the “Relevant Date”):

(aaa) representing in aggregate more than 0.1% of the total number of Shares in issue on the Relevant Date; and

(bbb) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Relevant Date in excess of HK\$5,000,000,

such proposed grant of options must be approved by the Shareholders in general meeting. In such a case, our Company shall send a circular to its Shareholders containing all those terms as required under the Listing Rules. All connected persons of our Company must abstain from voting in favor of the resolution at such general meeting. Any vote taken at the meeting to approve the grant of such options must be taken on a poll.

(bb) Subject to the above sub-paragraphs (ix) (aa), (ix) (bb) and (x) (aa), in the event of any alteration in the capital structure of our Company whether by way of capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of our Company or otherwise howsoever (other than as a result of an issue of Shares as consideration in a transaction), the maximum number of Shares referred to in the above sub-paragraphs (ix) (aa), (ix) (bb) and (x) (aa) will be adjusted in such manner as an independent financial adviser or the auditors for the time being of our Company (acting as experts and not as arbitrators) shall confirm to the directors of our Company in writing to be fair and reasonable and in compliance with the requirements under the Listing Rules.

(xi) *Alternation of capital structure*

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable, whether by way of capitalization issue, rights issue, subdivision, consolidation, or reduction of the share capital of our Company or otherwise howsoever in accordance with legal requirements and requirements of the Stock Exchange (excluding any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in respect of a transaction to which our 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 option so far as unexercised; and/or
- (ii) the Subscription Price; and/or

- (iii) the method of exercise of the option (if applicable);

as an independent financial adviser or the auditors for the time being of our Company shall at the request of the Board certify in writing to the directors of our Company, 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, the supplemental guidance issued by the Stock Exchange dated 5 September 2005 and such other guidelines or supplementary guidance as may be issued by the Stock Exchange from time to time, and shall give a Grantee the same proportion of the issued share capital of our 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. The capacity of the independent financial adviser or the auditors for the time being of our 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 our Company and the Grantees. The costs of the independent financial adviser or the auditors for the time being of our Company shall be borne by our Company. Notice of such alteration(s) shall be given to the Grantees by our Company.

*(xii) Share Capital*

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

*(xiii) Disputes*

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

*(xiv) Alternation of the Share Option Scheme*

- (aa) The provisions of the Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme as to:
  - (i) the definitions of “Participant”, “Grantee” and “Option Period” in paragraph (ii), sub-paragraphs (v) (dd) and (vii) (cc);
  - (ii) the provisions of the above sub-paragraphs (iv) (aa), (v) (aa), (bb) and (cc), paragraphs (vi), (vii), (viii), (ix), (x) and (xi) and this paragraph (xiv); and
  - (iii) 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 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 for a variation of the rights attached to the Shares.

- (bb) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of the options granted must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (cc) The amended terms of the Share Option Scheme or the options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (dd) Any change to the authority of the directors of our Company or scheme administrators in relation to any alteration to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.
- (xv) *Cancellation of the options granted*

The Board may, with the consent of the relevant Grantee, at any time at its absolute discretion cancel any option granted but not exercised. Where our Company cancels options and makes an Offer of the grant of new options to the same option holder, the Offer of the grant of such new options may only be made, under the Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the limit approved by the Shareholders as mentioned in the above paragraph (ix).

(xvi) *Termination of the Share Option Scheme*

Our Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. Upon such termination, details of the options granted (including options exercised or outstanding) under the Share Option Scheme are required under the Listing Rules to be disclosed in the circular to Shareholders seeking approval of the first new scheme established thereafter.

**(b) Present status of the Share Option Scheme**

(i) *Application for approval*

Application has been made to the Listing Committee for the listing of and permission to deal in any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme.

(ii) *Grant of option*

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

*(iii) Value of options*

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

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

Mr. Yeung Michael Wah Keung and Mr. Yeung Wo Fai (together, the “Indemnifiers”) have entered into a deed of indemnity with and in favor of our Company (for itself and as trustee for each of our present subsidiaries) (being the material contract (q) referred to in paragraph 8 above) to give indemnities on a joint and several basis, in respect of, among other matters:

- (i) certain estate duty which might be payable by or recovered against our Group or any member of our Group by virtue of or under the provisions of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong);
- (ii) tax liabilities (whenever created or imposed, and including estate duty and stamp duty, and any fines, penalties, costs, charges, expenses and interests incidental or relating to such tax liabilities) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation, provided that the indemnity given under the deed of indemnity shall not apply:
  - (a) to the extent that provision has been made for such taxation in the audited accounts of our Group or any member of our Group for the three years ended 30 June 2011 (the “Accounts”);
  - (b) to the extent that such taxation falling on any of the members of our Group in respect of any accounting period commencing on or after 30 June 2011 and ended on the Listing Date, unless such tax liability would not have arisen but for an act or omission of, or transaction voluntarily entered into by, the Indemnifiers, our Group or any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, otherwise than any such act, omission or transaction carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after 1 July 2011 (other than pursuant to a legally binding commitment created on or before 30 June 2011 or pursuant to any statement of intention made in the prospectus);

- (c) to the extent that such taxation liabilities or claim arises or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation thereof by the Hong Kong Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the deed of indemnity or to the extent such claim arises or is increased by an increase in rates of taxation or claim after the date of the deed of indemnity with retrospective effect; or
- (d) to the extent that provision or reserve made for taxation in the Accounts is established to be an over-provision or an excessive reserve.

#### ***16. Litigation***

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against our Company or any of our subsidiaries, that would have a material adverse effect on the results of operations or financial condition of our Company.

#### ***17. Preliminary expenses***

The preliminary expenses of our Company paid by our Company was HK\$42,198.

#### ***18. Promoter***

- (a) Our Company does not have any promoter.
- (b) Within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to any promoters of our Company in connection with the Global Offering or the related transactions described in this prospectus.

#### ***19. Agency fees or commissions received***

The Hong Kong Underwriters will receive a commission of 3.0% of the aggregate Offer Price of all the Hong Kong Offer Shares less any unsubscribed Hong Kong Offer Shares reallocated to the International Placing and ignoring for this purpose any Hong Kong Offer Shares reallocated from the International Placing due to over-subscription, out of which the Hong Kong Underwriters will pay any sub-underwriting commission. The underwriting commission for such reallocated Shares in each case will be payable to the International Underwriters in accordance with the International Placing Agreement. In addition, the Company may, in its sole discretion, pay the Sole Global Coordinator an additional aggregate incentive fee of up to 1.0% on the Offer Price of the total Offer Shares and any additional Shares pursuant to the Over-allotment Option.



Assuming an Offer Price of approximately HK\$3.45 per Share (being the midpoint of the indicative Offer Price range of HK\$2.95 to HK\$3.95 per Offer Share), the aggregate commissions and fees, together with the Stock Exchange listing fee, SFC transaction levy and Stock Exchange trading fee, legal and other professional fees, printing and other expenses relating to the Global Offering payable by us, are estimated to amount to approximately HK\$62.9 million (assuming that the Over-allotment Option is not exercised) in total.

### **20. Application for listing of the Shares**

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and any Shares which may be issued upon the exercise of the Over-allotment Option and any additional Shares up to 10% of the issued share capital of our Company as at the Listing Date which may fall to be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

### **21. Qualifications of experts**

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

<u>Name</u>	<u>Qualification</u>
Merrill Lynch .....	registered under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young .....	Certified public accountants
Maples and Calder .....	Cayman Islands attorneys-at-law
King & Wood PRC Lawyers .....	Qualified PRC lawyers
Savills Valuation and Professional Services Limited .....	Professional property valuers

### **22. Consents of experts**

Each of Merrill Lynch, Ernst & Young, Maples and Calder, King & Wood PRC Lawyers and Savills Valuation and Professional Services Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and/or letter and/or summary of valuation and/or legal opinion (as the case may be) and the references to its name or summaries of opinions included herein in the form and context in which they respectively appear.

### **23. Binding effect**

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

**24. Taxation of holders of Shares****(a) Hong Kong**

Dealings in Shares registered on our Company's Hong Kong register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

**(b) The Cayman Islands**

Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty.

**(c) Consultation with professional advisers**

Intended holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares or exercising any rights attaching to them. It is emphasized that none of our Company, the Directors or the other parties involved in the Global Offering can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares or exercising any rights attaching to them.

**25. Miscellaneous**

Save as disclosed in "Our History and Reorganization", "Share Capital", "Underwriting", "Structure of the Global Offering" and in this appendix:-

- (a) Within two years preceding the date of this prospectus:
- (i) no share or loan capital of our Company or of any of our subsidiaries was issued, agreed to be issued or was proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (ii) no commissions, discounts, brokerages or other special terms was granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
  - (iii) no commission was paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries.
- (b) No share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

- (c) Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 30 June 2011 (being the date to which the latest audited combined financial statements of our Group were made up).
- (d) Our Directors confirm that there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.
- (e) Our Company has not issued or agreed to issue any founder share, management shares or deferred shares.

**26. *Bilingual prospectus***

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