

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 1 November 2017. Our Company's registered office is at the offices of [REDACTED]. Our Company has established its principal place of business in Hong Kong at Units 2601-3, Tai Tung Building, 8 Fleming Road, Wanchai, Hong Kong, and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 1 December 2017. In connection with such registration, Mr. Lau and Mr. Choi have been appointed as the authorised representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

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

2. Changes in the share capital of our Company

- (a) The authorised share capital of our Company as of the date of its incorporation was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, of which one nil-paid Share was allotted and issued to the initial subscriber on the date of incorporation and was transferred to Mr. Choi on the same day at nil consideration.

[REDACTED]

[REDACTED]

- (g) Save as aforesaid and as mentioned in the paragraph headed "A. Further information about our Company — 3. Written resolutions of our Shareholders passed on [●]" in this appendix, there has been no alteration in the share capital of our Company since incorporation.
- (h) Save as disclosed in this document, our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

3. Written resolutions of our Shareholders passed on [●]

On [●], written resolutions of the Shareholders were passed pursuant to which, among others:

- (a) the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$50,000,000 divided into 5,000,000,000 Shares of HK\$0.01 each by the creation of an additional 4,962,000,000 Shares;
- (b) our Company approved and adopted the Memorandum with immediate effect and the Articles with effect from the [REDACTED];
- (c) conditional on (A) the Stock Exchange granting the [REDACTED] of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the [REDACTED], the [REDACTED] or the exercise of any options which may be granted under the Share Option Scheme) and (B)

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before the date determined in accordance with the terms of the [REDACTED]:

- (i) the [REDACTED] was approved and our Directors were authorised to allot and issue the [REDACTED]; and
- (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "D. Share Option Scheme" in this appendix, were approved and adopted and the Directors were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares upon the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the Share Option Scheme;
- (d) conditional upon the share premium amount of our Company being credited as a result of the [REDACTED], our Directors were authorised to capitalise the amount of HK\$[REDACTED] from the amount standing to the credit of the share premium account of our Company and applying such sum to pay up in full at par [REDACTED] Shares for allotment and issue to our Shareholders whose name appeared on the register of members of our Company at the close of business on [●];
- (e) a general unconditional mandate was given to our Directors to allot, issue and deal with (otherwise than by way of a rights issue or any scrip dividend schemes or similar arrangements in accordance with the Articles or the [REDACTED] or the [REDACTED], or an issue of Shares upon the exercise of any options which may be granted under the Share Option Scheme) Shares not exceeding 20% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), 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 or any laws applicable to our Company to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first, PROVIDED that if any subsequent consolidation or subdivision of Shares is effected, the maximum amount of Shares that may be issued pursuant to the approval in paragraph (e) of this resolution as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (f) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase Shares not exceeding 10% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), 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 or any laws applicable to our Company to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever occurs first, PROVIDED that if any subsequent consolidation or subdivision of Shares is effected, the maximum amount of Shares that may be repurchased pursuant to the approval in paragraph (f) of this resolution as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same and such maximum number of Shares shall be adjusted accordingly; and
- (g) the general unconditional mandate mentioned in paragraph (e) above was extended by the addition to the total number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to such general mandate of an amount representing the total number of Shares repurchased by our Company pursuant to or in accordance with the mandate to repurchase Shares referred to in paragraph (f) above.

4. Corporate reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the [REDACTED] of our Shares on the Stock Exchange. For information relating to the Reorganisation, please refer to the section headed "History, Reorganisation and corporate structure" in this document.

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

Our Company's subsidiaries are referred to in the Accountants' Report in this document. Save for the subsidiaries mentioned in the Accountants' Report and in the section headed "History, Reorganisation and corporate structure" of this document, our Company has no other subsidiaries.

Save for the alterations disclosed in the section headed "History, Reorganisation and corporate structure" in this document, there were no other alteration in the authorised or issued share capital of our subsidiaries which took place within two years immediately preceding the date of this document.

6. Repurchases by our Company of our own securities

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

(a) Provisions of the GEM Listing Rules

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

(i) Shareholders' approval

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

Note: Pursuant to the written resolutions passed by our Shareholders on [●], a general unconditional mandate was given to our Directors authorising any repurchase by our Company of Shares on the GEM or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme), 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 or applicable laws of the Cayman Islands to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with a company's constitutive documents and the laws of the jurisdiction in which the company is incorporated or otherwise established. A listed company may not repurchase its own securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under the Cayman Islands laws, any repurchase by our Company may be made out of profits of our Company, out of the share premium account or out of the [REDACTED] of a fresh issue of Shares made for the purpose of the repurchase. Any premium payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of either or both of

the profits or the share premium account of our Company. Subject to satisfaction of the solvency test prescribed by the Companies Law, a repurchase may also be made out of capital.

(iii) Trading restrictions

Our Company may repurchase up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (excluding Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme). Our Company may not issue or announce a proposed issue of the Shares for a period of 30 days immediately following a repurchase of Shares without the prior approval of the Stock Exchange. Our Company is also prohibited from repurchasing the Shares on the Stock Exchange if the repurchase would result in the number of listed Shares which are in the hands of the public falling below the minimum percentage required by the Stock Exchange. The broker appointed by our Company to effect a repurchase of the Shares is required to disclose to the Stock Exchange any information with respect to a share repurchase as the Stock Exchange may require. Our Company shall not repurchase Shares if the purchase price is higher than 5% or more than the average closing market price for the 5 preceding trading days on which the Shares were traded on the GEM.

(iv) Status of repurchased shares

All repurchased Shares (whether on the Stock Exchange or otherwise) will be cancelled and the certificates for those Shares must be cancelled and destroyed. Under the Cayman Islands law, a company's shares repurchased may be treated as cancelled and the amount of the company's issued share capital shall be reduced by the aggregate nominal value of the shares repurchased accordingly although the authorised share capital of the company will not be reduced.

(v) Suspension of repurchase

Repurchase of Shares are prohibited after inside information has come to the knowledge of our Company until such information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the results of our Company for any year, half-year or quarter-year period or any other interim period (whether or not reported under the GEM Listing Rules); and (bb) the deadline for our Company to announce its results for any year, half-year or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules), our Company may not repurchase its securities on the GEM

unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to prohibit repurchase of Shares on the Stock Exchange if our Company has breached the GEM Listing Rules.

(vi) Reporting requirements

Certain information relating to repurchase of securities on the GEM or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, our Company's annual report and accounts are required to disclose details regarding repurchases of Shares made during the financial year under review, including the number of Shares repurchased each month (whether on the Stock Exchange or otherwise) and the purchase price per Share or the highest and lowest prices paid for all such repurchases, where relevant, and the aggregate prices paid. The directors' report is also required to contain reference to the repurchases made during the year and the directors' reasons for making such repurchases.

(vii) Core connected persons

According to the GEM Listing Rules, a company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person", that is, a Director, chief executive or substantial shareholder of our Company or any of its subsidiaries or any of their close associates and a core connected person shall not knowingly sell his/her/its securities to our Company on the Stock Exchange.

(b) Reasons for repurchases

Our Directors believe that it is in the best interests of our Company and our Shareholders for our Directors to have general authority from its 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 of our Company and/or earnings per Share and will only be made if our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of repurchases

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

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate is 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 with the position disclosed in this document. 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 [REDACTED] Shares in issue immediately after the [REDACTED], would result in up to [REDACTED] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

(d) General

None of our Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their respective close associates currently intends to sell any Shares to our Company or its 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 GEM Listing Rules and the applicable laws of the Cayman Islands.

No core connected person of our Company has notified our Company that he has a present intention to sell his Shares to our Company, or has undertaken not to do so if the Repurchase Mandate is exercised.

If as a result of any securities repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, 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 as a result of any such increase. Our Directors are not aware of any other consequences which may arise under the Takeovers Code if the Repurchase Mandate is exercised.

If the Repurchase Mandate is fully exercised immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account of any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), the total number of Shares which will be repurchased pursuant to the Repurchase Mandate shall be [REDACTED] Shares, being 10% of the issued share capital

of our Company based on the aforesaid assumptions. The percentage shareholding of our Controlling Shareholders will be increased to approximately [REDACTED]% of the issued share capital of our Company immediately following the full exercise of the Repurchase Mandate. Any repurchase of Shares which results in the number of Shares held by the public being reduced to less than the prescribed percentage of our Shares then in issue could only be implemented with the approval of the Stock Exchange to waive the GEM Listing Rules requirements regarding the [REDACTED] under Rule 11.23 of the GEM Listing Rules. However, our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient [REDACTED] as prescribed under the GEM Listing Rules.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts

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

- (a) [an agreement for sale and purchase dated [●] and entered into among Pacific Asset, Santo Global, Mr. Ng, Mr. Choi and DLS Capital, pursuant to which Pacific Asset, Santo Global, Mr. Ng and Mr. Choi have agreed to sell and DLS Capital has agreed to purchase the entire issued share capital of De Riva in consideration of the allotment and issue of (i) [REDACTED] new shares in DLS Capital to Pacific Asset; (ii) [REDACTED] new shares in DLS Capital to Santo Global; (iii) [REDACTED] new shares in DLS Capital to Mr. Ng; and (iv) [REDACTED] new shares in DLS Capital to Mr. Choi, credited as fully paid];
- (b) [an agreement for sale and purchase dated [●] and entered into among Pacific Asset, Santo Global, Mr. Ng, Mr. Choi and the Company, pursuant to which Pacific Asset, Santo Global, Mr. Ng and Mr. Choi have agreed to sell and the Company has agreed to purchase the entire issued share capital of DLS Capital in consideration of the allotment and issue of (i) [REDACTED] new Shares to Oasis Green, at the direction of Pacific Asset; (ii) [REDACTED] new Shares to Jolly Ocean, at the direction of Santo Global; (iii) [REDACTED] new Shares to Dense Jungle, at the direction of Mr. Ng; and (iv) [REDACTED] new Shares to Beyond Delta, at the direction of Mr. Choi, credited as fully paid, and credit as fully paid the nil-paid incorporation share];
- (c) the Deed of Indemnity;
- (d) the Deed of Non-competition; and
- (e) the [REDACTED] [REDACTED].

APPENDIX IV STATUTORY AND GENERAL INFORMATION

2. Intellectual property rights

(a) Trademarks

As at the Latest Practicable Date, our Group was the registered owner of the following trademarks in Hong Kong:

Trademark	Registered owner	Class	Trade Mark No.	Date of Registration	Expiry date
"™" 	De Riva	16, 36	304298563	11 October 2017	10 October 2027
"™" 					
"™" 	De Riva	16, 36	304339620	17 November 2017	16 November 2027
"™" 					

(b) Domain Name

As at the Latest Practicable Date, our Group was the registered proprietor of the following domain name:

Domain name	Registered owner	Date of Registration	Expiry date
www.derivaasia.com	De Riva	27 July 2009	27 July 2018

Information contained in the above website does not form part of this document.

Save as disclosed above, there are no other trade or service marks, patents, other intellectual or industrial property rights which are material to the business of our Group.

APPENDIX IV	STATUTORY AND GENERAL INFORMATION
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C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Interests and short positions of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations

Immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares that may be allotted and issued upon the exercise of any options that may be granted under the Share Option Scheme), the interests or short positions of each of our Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are listed, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register required to be kept therein or which, once the Shares are listed, will be required pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to our Company and the Stock Exchange are set out as follows:

(i) Our Company

Name of Director	Capacity/ Nature of Interest	Number of Shares/ underlying Shares held ⁽¹⁾	Percentage of shareholding
Mr. Yu	Interest of controlled corporation ⁽²⁾	[REDACTED]	[REDACTED]
Mr. Ng	Interest of controlled corporation ⁽³⁾	[REDACTED]	[REDACTED]
Mr. Choi	Interest of controlled corporation ⁽⁴⁾	[REDACTED]	[REDACTED]

(ii) Associated corporation of our Company

Name	Name of associated corporation	Nature of interest	Number of shares	Approximate percentage of shareholding
Mr. Yu	Pacific Asset ⁽²⁾	Beneficial interest	[REDACTED]	[REDACTED]

APPENDIX IV	STATUTORY AND GENERAL INFORMATION
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Name	Name of associated corporation	Nature of interest	Number of shares	Approximate percentage of shareholding
Mr. Yu	Oasis Green ⁽²⁾	Interest of controlled corporation	[REDACTED]	[REDACTED]

[REDACTED]

(b) Particulars of service contracts and letters of appointment

Each of the executive Directors has entered into a service contract with our Company which will become effective on the [REDACTED]. The terms and conditions of each of such service contracts are similar in all material respects. The service contracts are initially for a fixed term of three years commencing from the [REDACTED] and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Each of our Executive Directors is entitled to a basic salary set out below (subject to an annual increment at the discretion of our Directors). The executive Directors are also entitled to a bonus in respect of each financial year of our Company in an amount to be determined by the Board in its absolute discretion. An executive Director is required to abstain from voting and is not counted in the quorum in respect of any resolution of the Directors regarding the amount of the salary and the discretionary bonus payable to him. The annual remuneration payable to the executive Directors under each of the service contracts are as follows:

Name	Amount
Mr. Lau	HK\$[REDACTED]
Mr. Choi	HK\$[REDACTED]
Mr. Lee	HK\$[REDACTED]
Mr. Fung	HK\$[REDACTED]
Mr. Ng	HK\$[REDACTED]

Each of the non-executive Director and the independent non-executive Directors has entered into a letter of appointment with our Company. The terms and conditions of each of such letters of appointment are similar in all material respects. Each of the non-executive Director and the independent

APPENDIX IV STATUTORY AND GENERAL INFORMATION

non-executive Directors is appointed with an initial term of [three] years commencing from the [REDACTED] subject to termination in certain circumstances as stipulated in the relevant letters of appointment. The annual remuneration payable to the non-executive Director and the independent non-executive Directors under each of the letters of appointment are as follows:

Name	Amount
Mr. Yu Kwok Tung	HK\$[REDACTED]
Mr. Voon David Hian-fook	HK\$[REDACTED]
Mr. Or Kevin	HK\$[REDACTED]
Mr. Wu Ping Lam Michael David	HK\$[REDACTED]

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

(c) *Remuneration of our Directors*

The Company's policies concerning remuneration of executive Directors are as follows:

- (i) the amount of remuneration payable to the executive Directors is determined by our Company on a case-by-case basis with reference to duties and level of responsibilities of each executive Director and the remuneration policy of our Company and the prevailing market conditions;
- (ii) non-cash benefits may be provided at the discretion of the Board to the executive Directors under their remuneration package; and
- (iii) the executive Directors may be granted, at the discretion of the board of Directors, share options under the Share Option Scheme as part of their remuneration package.

The aggregate remuneration paid and benefits in kind granted by our Group to our Directors in respect of the year ended 31 March 2018 was approximately HK\$20.5 million.

Under the arrangements currently in force, it is estimated that the aggregate remuneration payable by our Group to, and benefits in kind receivable by, our Directors (excluding discretionary bonus) for the year ending 31 March 2019 will be approximately HK\$6.8 million.

Save as disclosed in Appendix I to this document, no Director received any remuneration or benefits in kind from our Group for the Track Record Period.

APPENDIX IV	STATUTORY AND GENERAL INFORMATION
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None of our Directors or any past directors of any member of our Group has been paid any sum of money for the Track Record Period (i) as an inducement to join or upon joining the Company 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.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for the Track Record Period.

2. Substantial Shareholders

So far as our Directors are aware, immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), the following persons (other than our Directors and chief executives of our Company) will have or be deemed or taken to have an interest and/or short position in our Shares or the underlying Shares which would be required to be disclosed to our Company under the provisions of Division 2 and 3 of Part XV of the SFO or which would be recorded in the register of the Company required to be kept under Section 336 of the SFO or who are directly or indirectly interested in 10% or more of the issued voting shares of any other member of our Group:

Name of Shareholder	Capacity/Nature of Interest	Number of Underlying Shares ⁽¹⁾	Approximate percentage of shareholding
Oasis Green ⁽²⁾	Beneficial owner	[REDACTED]	[REDACTED]
Pacific Asset ⁽²⁾	Interest of controlled corporation	[REDACTED]	[REDACTED]
Ms. Rowena Yip Shui Chi ⁽³⁾	Interest of spouse	[REDACTED]	[REDACTED]
Jolly Ocean ⁽⁴⁾	Beneficial owner	[REDACTED]	[REDACTED]
Santo Global ⁽⁴⁾	Interest of controlled corporation	[REDACTED]	[REDACTED]
Mr. Lau Ming Hong Henry ⁽⁴⁾	Interest of controlled corporation	[REDACTED]	[REDACTED]
Ms. Lo Ying ⁽⁵⁾	Interest of spouse	[REDACTED]	[REDACTED]
Dense Jungle ⁽⁶⁾	Beneficial owner	[REDACTED]	[REDACTED]

[REDACTED]

3. Related party transactions

Details of the related party transactions are set out in Note 27 of the Accountant's Report in Appendix I to this document.

D. SHARE OPTION SCHEME

Summary of terms of the Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it 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:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Company to grant options to the employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner of our Company or any subsidiary (including any director of our Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by our Company or any subsidiary at the time when an option is granted to such employee, adviser, consultant, service provider, agent, customer, partner or joint-venture partner or any person who, in the absolute discretion of our Board, has contributed or may contribute to our Group (the "Eligible Participants") as incentive or reward for their contribution to our Group to subscribe for our Shares thereby linking their interest with that of our Group.

(b) Grant and acceptance of options

Subject to the terms of the Share Option Scheme, our Directors may, in its absolute discretion make offer to the Eligible Participants. An offer shall be made to an Eligible Participant in writing in such form as our Directors may from time to time determine and shall remain open for acceptance by the Eligible Participant concerned for a period of 21 days from the date upon which it is made provided that no such offer shall be open for acceptance after the 10th anniversary of the adoption date of the Share Option Scheme or the termination of the same.

An offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all Shares which are offered to such

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant, together with a non-refundable remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from, and inclusive of, the date of offer).

Any offer may be accepted by an Eligible Participant in respect of less than the total number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in our Shares on the Stock Exchange or an integral multiple thereof.

(c) Price of our Shares

The subscription price for Shares under the Share Option Scheme shall be determined at the discretion of our Directors but in any event will not be less than the highest of (a) the closing price of our Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of our Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

(d) Maximum number of Shares

- (i) Subject to (iii) below, the maximum number of Shares in respect of which options may be granted at any time under the Share Option Scheme together with options which may be granted under any other share option schemes for the time being of our Group shall not exceed such number of Shares as equals 10% of the issued share capital of our Company at the date of approval of the Share Option Scheme. On the basis of a total of [REDACTED] Shares in issue as at the [REDACTED], the relevant limit will be [REDACTED] Shares which represent 10% of the issued Shares on the [REDACTED]. Our Company may seek approval by our Shareholders in general meeting to refresh the 10% limit provided that the total number of Shares available for issue under options which may be granted under the Share Option Scheme and any other schemes of our Group in these circumstances must not exceed 10% of the issued share capital of our Company at the date of approval of refreshing of the limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Group (including those outstanding, cancelled, lapsed in accordance with the Share Option Scheme or any other share option schemes and exercised options) will not be counted for the purpose of calculating the limit as refreshed.
- (ii) Our Company may seek separate approval by our Shareholders in general meeting for granting options beyond the 10% limit

provided the options in excess of the limit are granted only to Eligible Participant specifically identified by our Company before such approval is sought. Our Company must send a circular to our Shareholders containing a generic description of the specified Eligible Participant who may be granted such options, the number and terms of the options to be granted, the purpose of granting options to the specified Eligible Participant with an explanation as to how the terms of the options serve such purpose, and such information as may be required under the GEM Listing Rules from time to time.

- (iii) 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 options granted and yet to be exercised under any other share option schemes of our Group must not exceed 30% of our Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Group if this will result in the limit being exceeded.

- (iv) If our Company conducts a share consolidation or subdivision after the 10% limit has been approved in general meeting, the maximum number of Shares that may be issued upon exercise of all options to be granted under all of the share option schemes (including the Share Option Scheme) of our Company under the 10% limit as a percentage of the total number of Shares at the date immediately before and after such consolidation or subdivision shall be the same.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (v) Unless approved by our Shareholders in the manner set out below, the total number of Shares issued and to be issued upon exercise of the options granted to each grantee (including both exercised and outstanding options) in any 12-month period must not exceed 1% of our Shares in issue. Where any further grant of options to an Eligible Participant would result in our Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant must be separately approved by our Shareholders in general meeting with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. Our Company must send a circular to our Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant), and such information as may be required under the GEM Listing Rules from time to time. The number and terms (including the subscription price) of options to be granted to such Eligible Participant must be fixed before our Shareholders' approval and the date of meeting of our Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, our Directors shall make available sufficient of the then authorised but unissued share capital of our Company to allot our Shares on the exercise of any option.

(e) Exercise of options

An option may be exercised at any time during the period to be determined and identified by our Board to each grantee at the time of making an offer for the grant of an option, but in any event no later than 10 years from the date of grant but subject to the early termination of the Share Option Scheme.

Subject to terms of the Share Option Scheme, an option shall be exercisable in whole or in part in the circumstances by 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 so exercised. Each such notice must be accompanied by a non-refundable remittance for the full amount of the subscription price for our Shares in respect of which the notice is given. Within 21 days after receipt of the notice and, where appropriate, receipt of

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

the auditors' certificate, our Company shall accordingly allot the relevant number of Shares to the grantee (or his legal personal representative) credited as fully paid.

Though there is no specified minimum period under the Share Option Scheme for which an option must be held or the performance target which must be achieved before an option can be exercised under the terms and conditions of the Share Option Scheme, our Directors may make such grant of options, subject to such terms and conditions in relation to the minimum period of such options to be held and/or the performance targets to be achieved as our Directors may determine in their absolute discretion.

(f) Restrictions on the time of grant of options

No option shall be granted by our Directors under the following circumstances:

- (i) after inside information has come to the knowledge of our Directors until such inside information has been announced pursuant to the requirements of the GEM Listing Rules; and
- (ii) during the period commencing one month immediately preceding the earlier of:
 - (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange under Rule 17.48 of the GEM Listing Rules) for approving our Company's results for any year, half-year or quarter-year period or any other interim period (whether or not required under the GEM Listing Rules); and
 - (bb) the deadline for our Company to announce its results for any year, half year or quarter-year period under Rule 18.49, 18.78 or 18.79 of the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement.

For the avoidance of doubt, no option may be granted during any period of delay in the publication of a results announcement.

(g) Rights are personal to grantees

An option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement to do so.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(h) Rights on ceasing employment

The option period in respect of any option shall automatically terminate and that option (to the extent not already exercised) shall automatically lapse on the date on which the grantee ceases to be an Eligible Participant by reason of a termination of his employment or directorship on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or any member of our Group into disrepute).

In the event of the grantee ceasing to be an Eligible Participant by resignation, retirement, expiry of employment contract or termination of employment for any reason other than any of the events specified in this paragraph above or paragraph (i) before exercising the option in full, the option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless our Directors may determine otherwise in which event the grantee or as appropriate, his personal representative(s), may exercise the option (to the extent not already exercised) in whole or in part within a period of three months following the date of such cessation or termination or, if any of the events referred to in paragraph (l) or (m) occurs during such period, exercise the Option pursuant to paragraph (l) or (m) respectively.

(i) Rights on death

In the event of the grantee ceasing to be an Eligible Participant by reason of his death before exercising the option in full and where the grantee is any employee of our Group at the time of his death, none of the events which would be a ground for termination of his employment under paragraph (h) above arises, his personal representative(s) may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of death, or such longer period as our Directors may determine.

(j) Cancellation of options

Our 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 offers new options to the same option holder, the offer 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 our Shareholders as mentioned in paragraph (d) above.

(k) Effect of alterations to share capital

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue or other offer of securities to holders of Shares (including any securities convertible into share capital or warrants or options to subscribe for any share capital of our Company, but excluding options under the Share Option Scheme and options under any other similar employee share option scheme of our Company), repurchase, consolidation, sub-division or reduction of the share capital of our Company or otherwise howsoever (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), then, in any such case (other than in the case of capitalisation of profits or reserves) our Company shall instruct the auditors to certify in writing:

- (A) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to:
 - (aa) the number or nominal amount of our Shares to which the Share Option Scheme or any option(s) relates (insofar as it is/they are unexercised); and/or
 - (bb) the subscription price; and/or
 - (cc) the maximum number of Shares referred to in the above paragraph (d)(i); and/or
 - (dd) the method of the exercise of the option(s),

or any combination thereof, and an adjustment as so certified by the auditors shall be made, provided that:

- (1) any such adjustment must give a grantee the same proportion of the equity capital as that to which that person was previously entitled;
- (2) any such adjustment shall be made on the basis that the aggregate subscription price payable by a grantee on the full exercise of any option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (3) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (4) the issue of securities of our Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
 - (5) to the advantage in any respect of the grantee without specific prior approval of our Shareholders.
- (B) in respect of any such adjustment, other than any made on a capitalisation issue, the auditors must confirm to our Directors in writing that the adjustment so made satisfies the requirements set out in the above and Rule 23.03(13) (including the note thereof) of the GEM Listing Rules.

(l) Rights on a general offer

If a general or partial offer 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, our Company shall use all its reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, our Shareholders. If such offer becomes or is declared unconditional, the grantee shall, notwithstanding any other term on which his options were granted, be entitled to exercise the option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company at any time thereafter and up to the close of such offer (or any revised offer).

(m) Rights on winding up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as it despatches such notice to each member of our Company give notice thereof to all grantees (containing an extract of the provisions of this paragraph) and thereupon, each grantee or his personal representative(s) shall be entitled to exercise all or any of his options (to the extent not already exercised) at any time not later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for our 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 and issue the relevant Shares to the grantee credited as fully paid.

(n) Rights on a compromise or arrangement

Other than a general or partial offer or a scheme of arrangement contemplated in paragraph (l) above and paragraph (o) below, in the event of a compromise or arrangement between our Company and its members or creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all grantees on the same date as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and any grantee or his personal representative(s) may by notice in writing to our Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice to be received by our Company not later than two business days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and 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 meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise of the option credited as fully paid and register the grantee as holder thereof.

(o) Rights on a scheme of arrangement

If a general or partial offer by way of scheme of arrangement 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, our Company shall use all its reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, our Shareholders. If such scheme of arrangement is formally proposed to our Shareholders, the grantee shall, notwithstanding any other term on which his options were granted, be entitled to exercise the option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company at any time thereafter and the record date for entitlements under the scheme of arrangement.

(p) Ranking of Shares

Shares to be allotted and issued upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the reopening of the register of members (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date 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 Exercise Date. A Share allotted upon the exercise of an option shall not carry voting rights until the name of the grantee has been duly entered onto the register of members of our Company as the holder thereof.

(q) Duration and administration of the Share Option Scheme

The Share Option Scheme shall be valid and effective commencing from the adoption date of the Share Option Scheme until the termination date as provided therein (which being the close of business of our Company on the date which falls ten years from the date of the adoption of the Share Option Scheme), after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme. The Share Option Scheme shall be subject to the administration of our Directors whose decision on all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein and in the absence of manifest error) be final and binding on all persons who may be affected thereby.

(r) Alterations to the terms of the Share Option Scheme

Subject to the GEM Listing Rules, the Share Option Scheme may be altered from time to time in any respect by a resolution of our Directors except that the following alterations shall require the prior sanction of an ordinary resolution of our Shareholders in general meeting (with all grantees, prospective grantees and their close associates abstaining from voting and the votes taken by poll):

- (i) alterations of the provisions relating to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of the Eligible Participant without the prior approval of our Shareholders in general meeting;
- (ii) any alteration to the terms and conditions of the provisions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme; and
- (iii) any change to the authority of our Directors or administrator of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in general meeting.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

The amended terms of the Share Option Scheme or the options must still comply with the relevant requirements of the GEM Listing Rules and any guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.

(s) *Conditions of the Share Option Scheme*

The Share Option Scheme is conditional upon:

- (i) the Stock Exchange granting the [REDACTED] of, and permission to deal in, any Shares to be issued by our Company pursuant to the exercise of options in accordance with the terms and conditions of the Share Option Scheme;
- (ii) commencement of dealings in Shares on the GEM; and
- (iii) the passing of the necessary resolution to approve and adopt the Share Option Scheme by our Shareholders in general meeting or by way of written resolution and to authorise our Directors to grant options at their absolute discretion thereunder and to allot, issue and deal in Shares pursuant to the exercise of any options granted under the Share Option Scheme.

(t) *Grant of options to core connected persons or any of their associates*

Each grant of options to any of our Directors, chief executive of our Company or substantial Shareholder or an independent non-executive Director (as defined in the GEM Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding the independent non-executive Director who is the proposed grantee of the option (if any)). Where any grant of options to a substantial Shareholder or an independent non-executive Director, or any of his associates, would result in our Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (i) representing in aggregate over 0.1 per cent. of our Shares in issue; and
- (ii) having an aggregate value, based on the closing price of our Shares at the date of each grant, in excess of HK\$5 million,

such further grant of options must be approved by our Shareholders. Our Company must send a circular to our Shareholders. All the grantee, his close associates and all core connected persons must abstain from voting at such general meeting. Our Company must comply with Rules 17.47A, 17.47B and 17.47C of the GEM Listing Rules. Any vote taken at the meeting to approve the grant of such options must be taken on a poll. The circular must contain:

- (i) details of the number and terms (including the subscription price) of the options to be granted to each Eligible Participant, which must be fixed before our Shareholders' meeting and the date of the meeting of our Board for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price. For the avoidance of doubt, the description of the terms of the options must include the information required under Rules 23.03(5) to 23.03(10) of the GEM Listing Rules;
- (ii) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the options) to the independent Shareholders as to voting; and
- (iii) the information as may be required under the GEM Listing Rules from time to time.

Shareholders' approval is also required for any change in the terms of options granted to an Eligible Participant who is a substantial Shareholder of or an independent non-executive Director, or any of their respective associates.

(u) Lapse of option

The Option Period (as defined in the Share Option Scheme) in respect of any option shall automatically terminate and that option (to the extent not already exercised) shall automatically lapse on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs (i) or (n) or subparagraph below, where applicable;
- (iii) subject to the court of competent jurisdiction not making an order prohibiting the offeror from acquiring the remaining shares in the offer, the expiry of the period referred to in paragraph (l);
- (iv) the date on which the grantee ceases to be an Eligible Participant by reason of a termination of his employment or directorship on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has become bankrupt or has

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the Grantee or any member of our Group into disrepute);

- (v) the date on which our Directors shall exercise our Company's right to cancel the option by reason of a breach of paragraph (g) by the grantee in respect of that or any other option;
- (vi) the date of the commencement of the winding-up of our Company;
- (vii) the date on which the grantee commits a breach of paragraph (g);
or
- (viii) the date on which the option is cancelled by our Board as set out in paragraph (j).

(v) Termination

Our Company by an ordinary resolution in general meeting 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 force to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(w) Miscellaneous

Any dispute arising in connection with the number of Shares of an option, any of the matters referred to in paragraph (k) above shall be referred to the decision of the auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

(x) Present status of the Share Option Scheme

Application has been made to the [REDACTED] of the Stock Exchange for the approval of the Share Option Scheme, the subsequent grant of options under the Share Option Scheme and the [REDACTED] of, and permission to deal in, our Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme which shall represent 10% of our Shares in issue upon completion of the [REDACTED] and the [REDACTED].

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

(y) *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 the options. Our Directors believe that any calculation of the value of the options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

Our Board confirms that our Board will not approve the exercise of any option if as a result of which our Company will not be able to comply with the [REDACTED] requirements under the GEM Listing Rules.

E. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Each of our Controlling Shareholders (collectively, the "Indemnifiers") pursuant to the Deed of Indemnity referred to in the paragraph headed "B. Further information about our Business — 1. Summary of material contracts" of this appendix, has given joint and several indemnities in respect of, among other things, the amount of any and all taxation falling on any member of our Group resulting from or by reference to any income, profits, gains earned, accrued or received on or before the [REDACTED] or any event or transaction entered into or occurring on or before the [REDACTED] whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company.

The indemnity contained above shall not apply:

- (i) to the extent that full provision or reserve has been made for such taxation in the audited accounts of our Group or the audited accounts of the relevant member of our Group for each of the three years ended 31 March 2016, 31 March 2017 and 31 March 2018; or
- (ii) to the extent that such taxation or liability would not have arisen but for some act or omission of, or transaction entered into by 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, other than any such act, omission or transaction carried out or effected in the ordinary course of business or in the ordinary course of acquiring or disposing of capital

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

assets on or before the [REDACTED] or carried out, made or entered into pursuant to a legally binding commitment created on or before the [REDACTED] or pursuant to any statement of intention made in this document; or

- (iii) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 March 2018 which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied pursuant to the Deed of Indemnity to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter; or
- (iv) to the extent that such taxation liability or claim arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the laws, rules or regulations or the interpretation or practice thereof by the Inland Revenue Department in Hong Kong or any other relevant authority (whether in Hong Kong or any part of the world) coming into force after the date of the Deed of Indemnity or to the extent that such taxation claim arises or is increased by an increase in rates of taxation after the date of the Deed of Indemnity with retrospective effect.

Under the Deed of Indemnity, the Indemnifiers have also given indemnities in favour of our Group whereby they would jointly and severally indemnify and at all times keep each member of our Group fully indemnified on demand from and against, among others, all claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines of whatever nature suffered or incurred by any member of our Group (i) as a result of directly or indirectly or in connection with, or in consequence of any non-compliance with or breach of any applicable laws, rules or regulations of any jurisdiction by any member of our Group on or before the [REDACTED]; (ii) as a result of directly or indirectly or in connection with any litigation, proceeding, claim, investigation, inquiry, enforcement proceeding or process by any governmental, administrative or regulatory body which (a) any member of our Group and/or their respective directors or any of them is/are involved; and/or (b) arises due to some act or omission of, or transaction voluntarily effected by, our Group or any member of our Group (whether alone or in conjunction with some other act, omission or transaction) on or before the [REDACTED].

The indemnity contained above shall not apply to the extent that provision has been made for such claim in the audited accounts of our Group or the audited accounts of any member of our Group for each of the three years ended 31 March 2016, 31 March 2017 and 31 March 2018.

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, Hong Kong and other jurisdictions in which the companies comprising our Group are incorporated.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

2. Litigation

As at 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 by or against any member of our Group which would have a material adverse effect on our business, result of operations or financial conditions.

3. Sole Sponsor

Red Sun Capital Limited has made an application on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and Shares to be issued as mentioned herein.

The Sole Sponsor is independent from our Company pursuant to Rule 6A.07 of the GEM Listing Rules.

The sponsor's fees payable by us in respect of Red Sun Capital Limited's services as sole sponsor for the [REDACTED] is HK\$5.3 million (excluding any disbursements).

4. Preliminary expenses

The preliminary expenses of our Company are approximately HK\$16,849 and have been paid by our Company.

5. Promoter

Our Company has no promoter. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit had been paid, allotted or given, nor are any such cash, securities or other benefit intended to be paid, allotted or given, to the promoter of our Company in connection with the [REDACTED] or the related transactions described in this document.

6. Qualifications of experts

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

Name	Qualification
Red Sun Capital Limited	Licensed to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Name	Qualification
SHINEWING (HK) CPA Limited	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-laws
China Insights Consultancy Limited	Independent industry consultant

7. Consents of experts

Each of the experts referred to under the heading "E. Other information — 6. Qualifications of experts" in this appendix has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or the references to its name included herein in the form and context in which they are respectively included.

8. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, our Company will appoint the Sole Sponsor as our compliance adviser to provide advisory services to our Company to ensure compliance with the GEM Listing Rules for a period commencing on the [REDACTED] and ending on the date on which our Company complies with Rule 18.03 of the GEM Listing Rules in respect of its financial results for the second full year commencing after the [REDACTED] or until the agreement is terminated, whichever is the earlier.

9. Agency fees or commission received

The [REDACTED] will receive an [REDACTED], and the Sole Sponsor will receive a documentation/advisory fee, as referred to under the paragraph headed "[REDACTED] — Commission and expenses" in this document.

Save as disclosed herein, no commissions, discounts, brokerages or other special terms were granted in connection with the issue or sale of any capital of any member of our Group within the two years preceding the date of this document.

10. Disclaimers

Save as disclosed in this document:

- (a) none of our Directors nor any of the persons whose names are listed in the paragraph headed "E. Other information — 6. Qualifications of experts" in this appendix is interested in the promotion of our Company, or in any assets which have been within the two years immediately preceding the issue of this document, or are proposed to

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

be, acquired or disposed of by or leased to any member of our Group nor will any Director apply for the [REDACTED] either in his own name or in the name of a nominee;

- (b) none of our Directors nor any of the persons whose names are listed in the paragraph headed "E. Other information — 6. Qualifications of experts" in this appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;
- (c) save in connection with the [REDACTED], none of the parties whose names are listed in the paragraph headed "E. Other information — 6. Qualifications of experts" in this appendix: (i) is interested legally or beneficially in any securities of any member of our Group; 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 our Group;
- (d) none of our Directors or chief executives of our Company has any interest or short position in our Shares, underlying shares or debentures of our Company or any of its associated corporation (within the meaning 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 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 be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors once our shares are listed;
- (e) save as disclosed in this document, and taking no account of Shares which may be taken up under the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], have an interest or short position in our 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 SFO or be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group; and
- (f) so far as is known to our Directors as of the Latest Practicable Date, none of our Directors, their respective close associates (as defined under the GEM Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the major service providers of our Group.

11. Miscellaneous

Save as disclosed in this document:

- (a) within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries; and
 - (iii) no commission has been paid or payable (excluding commission payable to sub-underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company;
- (b) no founders, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) 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;
- (d) there has not been any interruption in the business of our Group which has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this document;
- (e) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (f) our Company has no outstanding convertible debt securities;
- (g) all necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;
- (h) there are no arrangements in existence under which future dividends are to be or agreed to be waived;
- (i) our Directors confirm that, up to the date of this document, there has been no material adverse change in our financial or trading position or prospects since 31 March 2018 (being the date to which the latest audited combined financial statements of our Group were made up);

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (j) as at the Latest Practicable Date, there is no restriction affecting the remittance of profits or repatriation of capital of our Company into Hong Kong from outside Hong Kong; and
- (k) in case of any discrepancies between the English language version and the Chinese language version of this document, the English language version shall prevail.

12. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penalty provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) so far as applicable.

13. Share registrar

The principal register of members of our Company will be maintained in the Cayman Islands by [REDACTED] and a branch register of members of our Company will be maintained in Hong Kong by [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share registrar in Hong Kong and may not be lodged in the Cayman Islands.