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STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 14 December 2011.

Our Company has established its principal place of business in Hong Kong at Room B404B, 4/F, Block B, Sea View Estate, No. 4-6 Watson Road, North Point, Hong Kong and has been registered as a non-Hong Kong company under Part XI of the then Companies Ordinance (Chapter 32 of the Laws of Hong Kong) the predecessor to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) on 6 February 2012. On 16 December 2014, Mr. Mansfield Wong and Mr. Tong Man Chun were 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 at the same address of our principal place of business in Hong Kong.

As our Company was incorporated in the Cayman Islands, it is subject to the Companies Law, the relevant laws of the Cayman Islands and its constitutional documents which comprise the Memorandum of Association and the Articles of Association. A summary of certain relevant provisions of its constitution and certain relevant aspects of the Cayman Islands company law is set out in Appendix III to this [REDACTED].

2. Changes in share capital of our Company

- (a) As at the date of incorporation of our Company, its authorised share capital was HK\$380,000.00 divided into 380,000 ordinary shares of HK\$1.00 each.
- (b) On 14 December 2011, one share of HK\$1.00 in the share capital of our Company was issued and allotted nil paid to Codan Trust Company (Cayman) Limited and such nil-paid subscriber share was transferred to Mr. Alastair Lam on the same day.
- (c) On 14 December 2011, our Company issued and allotted 99 shares of HK\$1.00 each nil-paid to Mr. Alastair Lam, such that Mr. Alastair Lam then held 100 shares of HK\$1.00 each that were nil-paid.
- (d) On [●] 2015, each ordinary share of HK\$1.00 in the issued and unissued share capital of our Company was sub-divided into 100 ordinary shares of HK\$0.01 each, such that the authorised share capital of our Company became HK\$380,000.00 divided into 38,000,000 ordinary shares of HK\$0.01 each, out of which 10,000 Shares have been issued nil paid and held by Mr. Alastair Lam.
- (e) On [●] 2015, pursuant to the Reorganisation Agreement, our Company issued and allotted [REDACTED], all credited as fully-paid up to the Synergy Worldwide Existing Shareholders and credited the 10,000 nil-paid Shares as fully-paid at par, as consideration for the transfer of 100% interest in Synergy Worldwide by the Synergy Worldwide Existing Shareholders to our Company.

Save as disclosed herein and as mentioned in the following paragraphs respectively headed "Written resolutions of all the Shareholders of our Company passed on [REDACTED]" and "Corporate reorganisation" in this appendix, there has been no alteration in the share capital of our Company since the date of its incorporation.

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

The subsidiaries of our Company are listed in the Accountant's report set out in Appendix I to this [REDACTED]. The following alterations in the share capital of each of our subsidiaries took place since their incorporation and up to the date immediately preceding the date of this [REDACTED]:

(a) Synergy Worldwide

Synergy Worldwide was incorporated in the British Virgin Islands on 8 August 2008 with an authorised capital of 50,000 shares of US\$1.00 each. As at 5 August 2009, Mr. Alastair Lam held 100% shareholding of Synergy Worldwide.

On 18 December 2009, the authorised share capital of Synergy Worldwide was changed whereby Synergy Worldwide reclassified its share capital into two classes, Class A Shares and Class B Shares, and all existing issued shares of Synergy Worldwide were redesignated as Class A Shares. As a result, Synergy Worldwide was then authorised to issue a maximum of 50,000 shares comprising of 47,625 Class A Shares and 2,375 Class B Shares.

On 19 December 2009, 10 ordinary shares which Mr. Alastair Lam held were all redesignated as Class A Shares. On the same day, Synergy Worldwide further issued and allotted 11,859 Class A Shares to Mr. Alastair Lam, all issued at par value in cash.

On the same day, Mr. Arthur Lam was allotted 2,556 Class A Shares; Abundance was allotted 2,556 Class A Shares; and Fine Sky was allotted 894 Class A Shares, all issued at par value in cash.

On 15 January 2010, 500 Class B Shares were allotted to Mr. Chu; 250 Class B Shares were allotted to Mr. Paul Lam Jr; 250 Class B were allotted to Miss HY Tsang; 125 Class B Shares were allotted to Width; 250 Class B Shares were allotted to Mr. HK Tsang; and 750 Class B Shares were allotted to Sinochief. The Class B Shares were issued at HK\$4,000 per Class B Share in cash.

On 31 March 2011, Mr. Alastair Lam transferred 624 Class A Shares to Miss Liu; Mr. Arthur Lam transferred 208 Class A Shares to Miss Liu; and Abundance transferred 208 Class A Shares to Miss Liu, at a transfer price equal to approximately HK\$5,769.23 per Class A Share in cash. On the same day, further allotment of a total of 800 Class A Shares was made. Mr. Chu was allotted 200 Class A Shares; Mr. Paul Lam Jr was allotted 200 Class A Shares; Mr. HK Tsang was allotted 400 Class A Shares. On the same day, Synergy Worldwide repurchased the 125 Class B Shares that were previously issued and allotted to Width on 15 January 2010 as Width failed to fully pay for its subscription of those Class B Shares, and Synergy Worldwide issued the 125 Class B Shares so repurchased to Mr. HK Tsang, all allotted at an issue price of HK\$5,770 per share in cash.

On 2 November 2011, Mr. Alastair Lam was allotted 1,808 Class A Shares at approximately at HK\$4,424.78 per Class A Share in cash.

On 3 November 2011, Mr. Alastair Lam transferred 904 Class A Shares to Mr. Tong and 904 Class A Shares to Mr. Chow, all at approximately HK\$4,424.78 per Class A Share in cash.

On 30 November 2011, Mr. Alastair Lam transferred the legal title of (i) 1,092 Class A Shares to Miss Cheng; (ii) 1,092 Class A Shares to Mr. Cheung; (iii) 728 Class A Shares to Mr. Lau; and (iv) 1,092 Class A Shares to Mr. Sun. On the same day, Mr. Arthur Lam transferred 416 Class A Shares to Mr. Kwan at no consideration.

By 23 August 2012, 2,000 Class B Shares (which excludes the 125 Class B Shares re-issued to Mr. HK Tsang) were converted into Class A Shares. On 23 August 2012, Synergy Worldwide repurchased the remaining 125 Class B Shares held by Mr. HK Tsang, in consideration of which Synergy Worldwide issued and allotted 125 Class A Shares to Mr. HK Tsang.

On 12 March 2014, Mr. Alastair Lam transferred 226 Class A Shares to Abundance at approximately HK\$1,247,792 in cash. On the same day, Mr. Alastair Lam transferred 249 Class A

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Shares to Mr. Paul Lam Jr at approximately HK\$ 1,375,588 in cash, 388 Class A shares to Mr. Chu at HK\$ 2,142,876 in cash, 403 Class A shares to Mr. Lau at approximately HK\$2,225,826 in cash, 501 Class A Shares to Mr. Chow at approximately HK\$2,765,001 in cash, 501 Class A Shares to Mr. Tong at approximately HK\$2,765,001 in cash and 2,260 Class A Shares to Success Gold at approximately HK\$ 12,477,915 in cash.

(b) SLL

SLL was incorporated in Hong Kong on 3 December 2008 with an authorised share capital of 10,000 shares of HK\$1.00 each. On 3 December 2008, Mr. Alastair Lam was allotted 100 shares of HK\$1.00 each and holds the entire beneficial interest of SLL at that time.

On 8 September 2009, Mr. Alastair Lam transferred his entire shareholding in SLL to Synergy Worldwide. Thereafter, SLL became a wholly-owned subsidiary of Synergy Worldwide.

(c) SEM (Malaysia)

SEM (Malaysia) was incorporated in Malaysia on 17 April 2014 with an authorised share capital of 400,000 Malaysian Ringgit divided into 400,000 shares of 1.00 Malaysian Ringgit each. On 17 April 2014, each of Ms. Yim Wan Yee Eva ("**Ms. Yim**") and Mr. Cheung Wai Man Stephen ("**Mr. Stephen Cheung**") were allotted 50 shares of SEM (Malaysia) of 1.00 Malaysian Ringgit each.

On 7 May 2014, each of Ms. Yim and Mr. Stephen Cheung transferred 50 shares of SEM (Malaysia) to SCMM (BVI). Thereafter, SEM (Malaysia) became a wholly-owned subsidiary of SCMM (BVI).

4. Written resolutions of all the Shareholders of our Company passed on [REDACTED]

On [REDACTED], resolutions in writing were passed by the Shareholders pursuant to which, among other matters:

- (a) our Company conditionally approved and adopted the Articles, the terms of which are summarised in Appendix III to this [REDACTED];
- (b) conditional on (i) [REDACTED] granting [REDACTED] of, and permission to deal in, the Shares in issue and the [REDACTED] as mentioned in this [REDACTED] including any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme, (ii) the agreement on the [REDACTED] being reached, and (iii) 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 falling 30 days after the date of the issue of this [REDACTED]:
 - (i) the [REDACTED] was approved and the Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED] to the investors;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "Share Option Scheme" in this appendix, were approved and adopted and the Directors were authorised, at their absolute discretion, subject to the terms and conditions of the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of subscription rights under any options which may be granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme;

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- (iii) a general unconditional mandate was given to the Directors to allot, issue and deal with, otherwise than by way of rights issue or an issue of Shares pursuant to the exercise of any subscription rights attached to any warrants of our Company or any options which may be granted under the Share Option Scheme or any other share option scheme of our Company or any Shares allotted and issued in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to a specific authority granted by the Shareholders in general meeting, Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] but excluding any Shares which may be issued under or pursuant to the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of our Company; or
 - (2) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or
 - (3) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting;
- (iv) a general unconditional mandate was given to the Directors authorising them to exercise all powers of our Company to repurchase [REDACTED] such number of Shares as will represent up to 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] but excluding any Shares which may be issued under or pursuant to the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of our Company; or
 - (2) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Law or any other applicable laws of the Cayman Islands to be held; or
 - (3) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting ; and
- (v) the general unconditional mandate mentioned in sub-paragraph (iii) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (iv) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] but excluding any Shares which may be issued under or pursuant to the exercise of the options which may be granted under the Share Option Scheme.

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5. Repurchases by our Company of its own securities

This section includes information relating to the repurchases of securities, including information required by the GEM Listing Rules to be included in this [REDACTED] concerning such repurchase. The GEM Listing Rules permit companies whose primary listing is on GEM to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarised below:

(a) Shareholders' approval

All proposed repurchases of Shares (which must be fully paid-up) by a company [REDACTED] must be approved in advance by an ordinary resolution in a general meeting, either by way of general mandate or by specific approval in relation to a particular transaction.

Pursuant to the written resolutions of all the Shareholders of our Company passed on [REDACTED], a general unconditional mandate (the "**Repurchase Mandate**") was given to the Directors authorising the Directors to exercise all powers of our Company to repurchase its Shares [REDACTED] (please refer to the above paragraph headed "Written resolutions of all the Shareholders of our Company passed on [REDACTED]" in this Appendix for further details).

On the basis of [REDACTED] in issue immediately after completion of the [REDACTED] (without taking into account the exercise of any options which may be granted under the Share Option Scheme), the Directors shall be authorised to [REDACTED] during the period in which the Repurchase Mandate remains in force.

(b) Source of funds

Any repurchases of Shares by our Company must be paid out of funds legally available for the purpose in accordance with the Memorandum and Articles, GEM Listing Rules, and all the applicable laws of the Cayman Islands. We may not repurchase our own securities on 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.

Any repurchase may be made out of funds legally permitted to be utilised in this connection, including profits of our Company, share premium account of our Company or out of proceeds of a fresh issue of Shares made for that purpose or, subject to the provisions of the Companies Law, out of capital and in the case of any premium payable on a repurchase over the par value of the Shares to be repurchased, it must be paid out of either or both of the profits of our Company or our Company's share premium account, or subject to the provisions of the Companies Law, out of capital.

(c) Connected parties

The GEM Listing Rules prohibit our Company from knowingly [REDACTED] from a core connected person and a core connected person shall not knowingly sell his Shares to our Company.

No core connected person 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 any repurchase mandate is exercised.

(d) Reasons for repurchases

The Directors believe that it is in the best interests of our Company and the Shareholders as a whole for the Directors to have a general authority from the Shareholders to enable them to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding

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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 where the Directors believe that such repurchases will benefit our Company and the Shareholders as a whole.

(e) Funding of repurchases

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

On the basis of our Company's current financial position as disclosed in this [REDACTED] and taking into account our Company's current working capital position, the Directors consider that, if the Repurchase Mandate is exercised in full, it might have a material adverse effect on our Company's working capital and/or gearing position as compared with the position disclosed in this [REDACTED]. 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 our Company's working capital requirements or the gearing position which in the opinion of the Directors are from time to time appropriate for our Company.

(f) General

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

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, the Articles of Association, and the applicable laws and regulations of the Cayman Islands.

Our Company has not made any repurchases of its own securities since its incorporation.

(g) Takeovers Code

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' 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. Save as aforesaid, the 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.

6. Corporate Reorganisation

In order to streamline the corporate structure and rationalise our corporate structure in preparation for the [REDACTED], our Group underwent the Reorganisation. Please refer to the paragraph headed "Group reorganisation" in the section headed "History and corporate development" in this [REDACTED] for details.

7. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme approved by the written resolutions of all Shareholders passed on [REDACTED]:

(1) The purpose of the Share Option Scheme

The Share Option Scheme seeks to provide an incentive for the Qualified Participants (as hereinafter defined) to work with commitment towards enhancing the value of our Company and the

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Shares for the benefit of the Shareholders, and to maintain or attract business relationships with the Qualified Participants whose contributions are or may be beneficial to the growth of our Group.

(2) Who may join

The Board may at its discretion grant options to any director or employee (whether full time or part time) of our Company and its subsidiaries and associated companies (as defined under the Companies Ordinance) (collectively, "**Qualified Participants**").

(3) Grant of Option

An offer of the grant of an option shall be made to the Qualified Participants by letter in such form as the Board may from time to time determine, requiring the Qualified Participants 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 (including any operational rules). The offer shall remain open for acceptance for a period of twenty business days from the date on which it is made. Subject to the terms of the offer letter, there shall be no general performance target to or minimum holding period for the vesting or exercise of options. An option shall be deemed to have been accepted and to have taken effect when the duplicate letter comprising acceptance of the option duly signed by the option-holder together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant of the option shall have been received by our Company on or before the last day for acceptance as set out in the offer letter. The remittance is not in any circumstances refundable. Once accepted, the option is granted as from the date on which it was offered to the relevant Qualified Participant.

(4) Payment on acceptance of option offer

HK\$1.00 is payable by the Qualified Participant to our Company on acceptance of the option offer as consideration for the grant.

(5) Subscription Price

The subscription price ("**Subscription Price**") shall, subject to any adjustment pursuant to paragraph (15), be a price determined by the Board but in any event shall be at least the highest of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets on the date on which the option is offered to a Qualified Participant ("**Offer Date**"); (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of the Shares.

(6) Maximum number of Shares

(i) Scheme Mandate

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of our Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue as at the [REDACTED], which is expected to be [REDACTED] Shares. For the purpose of calculating the scheme mandate ("**Scheme Mandate**"), options which have been lapsed in accordance with the terms of the relevant scheme shall not be counted.

(ii) Refreshment of the Scheme Mandate

Our Company may seek approval by the Shareholders in general meeting for refreshing the Scheme Mandate provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of our Company under the general mandate as refreshed must not exceed 10% of the total number of Shares in issue as at the date of

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shareholders' approval. For the foregoing purpose, options previously granted under the Share Option Scheme and any other share option schemes of our Company, whether outstanding, cancelled or lapsed in accordance with its applicable rules or already exercised, will not be counted.

(iii) Grant of options to specifically identified Qualified Participants

Our Company may seek separate approval by the Shareholders in general meeting for granting options beyond the Scheme Mandate provided the options in excess of the general mandate are granted only to Qualified Participants who are specifically identified before such approval is sought. A circular will be sent by our Company to the Shareholders in accordance with the GEM Listing Rules.

(iv) Overriding Limit

Notwithstanding any provisions to the contrary, 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 such number of Shares as shall represent 30% of the Shares in issue from time to time. No options may be granted if such grant will result in this 30% limit being exceeded.

(7) Maximum entitlement of Shares of each Qualified Participant

Unless approved by the Shareholders in general meeting in the manner prescribed in the GEM Listing Rules, the Board shall not grant options to any option-holder if the acceptance of those options would result in the total number of Shares issued and to be issued to that Qualified Participant on exercise of his options (including both exercised and outstanding options) during any 12-month period exceeding 1% of the total Shares then in issue.

(8) Timing for exercise of options

The period during which an option may be exercised in accordance with the terms of the Share Option Scheme ("**Option Period**") shall be a period of time to be notified by the Board to each option-holder, which the Board may in its absolute discretion determine, save that such period shall not be more than ten years commencing on the Offer Date.

(9) Rights personal to option-holder

An option is personal to the option-holder and shall not be transferable or assignable. No option-holder shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so (except that the option-holder may nominate a nominee, of which the option-holder is the sole beneficial owner, in whose name the Shares issued pursuant to the Share Option Scheme may be registered provided that evidence of such trust arrangement between the option-holder and the nominee has been provided to the satisfaction of the Board).

(10) Rights on ceasing employment

If the option-holder who is a director or an employee (whether full time or part time) of our Company or any member of our Group or any associated company of a member of our Group ("**Eligible Employee**") ceases to be so engaged by reason other than his death or the termination of his employment on one or more of the grounds under sub-paragraph (v) of paragraph (18) below or retirement in accordance with the terms of his contract of employment or by virtue of any statutory requirement, the option-holder shall be entitled to exercise the option up to his entitlement at the date of cessation (to the extent not already exercised) within a period of 1 month from the date of such cessation, which date shall be the last day on which the option-holder was at work with our Company, the relevant member of our Group or associated company of a member of our Group (whether salary is paid in lieu of notice or not) (or within such longer period as the Board may determine).

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(11) Rights on death

In the event of death of the option-holder (being an individual) before exercising the option in full, where none of the events which would be a ground for termination of his employment under sub-paragraph (v) of paragraph (18) below have arisen, and such option-holder is an Eligible Employee, his legal personal representatives may exercise the option up to the option-holder's entitlement (to the extent exercisable as at the date of his death and not exercised) within the period of 12 months following his death or such longer period as the Board may determine.

(12) Rights on retirement

If the option-holder being an Eligible Employee ceases to be so engaged by reason of retirement in accordance with the terms of his contract of employment or by virtue of any statutory requirement and none of the events which would be a ground for termination of his employment as specified in sub-paragraph (v) of paragraph (18) below has arisen, the option-holder shall be entitled within a period of 12 months from the date of retirement (or such longer period as the Board may determine) to exercise the option up to the option-holder's entitlement (to the extent not already exercised).

(13) Conditions

The Share Option Scheme is conditional upon: (i) the [REDACTED] takes place in accordance with its terms; (ii) the Shareholders granting approval of the Share Option Scheme and any options which may be granted thereunder; and (iii) the [REDACTED] of and permission to deal in the Shares which may fall to be allotted and issued pursuant to the exercise of any options to be granted under the Share Option Scheme.

(14) Rights on a compromise or arrangement

If a compromise or arrangement between our Company and the Shareholders or creditors is proposed 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 to all option-holders on the same day as it gives notice of the meeting to the Shareholders or creditors to consider the compromise or arrangement. Upon receipt of the notice, the option-holder may, during the period commencing on the date of the notice and ending on the earlier of: (i) the date two calendar months thereafter; and (ii) the date on which such compromise or arrangement is sanctioned by the court, exercise the option (whether in full or in part), conditional upon the compromise or arrangement being sanctioned by the court and becoming effective. With effect from the date of such meeting, the rights of all option-holders to exercise their respective options shall forthwith be suspended. Our Company may require the option-holders 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 option-holder in the same position as nearly as would have been the case had such Shares been subject to the compromise or arrangement. If for any reason such compromise or arrangement is not approved by the court (whether upon the terms present to the court or upon any other terms as may be approved by such court) the rights of option-holders to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of its officers for any loss or damage sustained by any option-holder as a result of the aforesaid suspension.

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(15) Effect 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 capitalisation issue, rights issue, consolidation, share sub-division or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which our Company is a party), the Board shall make (and shall notify to the option-holder) such corresponding alterations (if any) in:

- (i) the number of Shares subject to any option so far as such option remains unexercised;
- (ii) the Subscription Price; and/or
- (iii) the number of Shares subject to the Share Option Scheme,

as the Auditors or an independent financial advisor (licensed to conduct type 6 activity under the SFO) to certify in writing to the Board to be in their opinion fair and reasonable, provided that any adjustment shall be made on the basis that are required to give each option-holder the same proportion of the share capital as that to which the option-holder was previously entitled, but not so that the effect would be to enable any Share to be issued to a option-holder at less than its nominal value.

In the event of any alteration, all alterations shall also comply with the GEM Listing Rules, as amended or modified or terminated or replaced by subsequent guidelines from time to time.

(16) Rights on voluntary winding up

In the event a notice is given by our Company to our 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 day as or soon after it despatches such notice to each Shareholder give notice thereof to all option-holders (together with a notice of the existence of this provision) and thereupon, each option-holder (or his legal personal representative(s)) shall be entitled to exercise all or any of his options 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 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, issue and allot the relevant Shares to the option-holder credited as fully paid.

(17) Rights on general offer

If a general offer (whether by way of takeover offer, scheme of arrangement or otherwise) is made to all the holders of Shares (or all holders other than the offeror and its concert parties and persons controlled by the offeror) and the offer becomes or is declared unconditional during the Option Period of an outstanding option, the option-holder (or his legal personal representatives) shall be entitled to exercise the option (to the extent not already exercised) at any time before the expiry of the period of ten business days following the date on which the offer becomes or is declared unconditional.

(18) Lapse of options

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

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in paragraphs (10), (11), (12), (14), (16) or (17);
- (iii) the date of the commencement of the winding-up of our Company in respect of the situation contemplated in paragraph (16);
- (iv) the date of the scheme or compromise referred to in paragraph (14) becomes effective;

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- (v) the date on which the option-holder being an Employee ceases to be a Qualified Participant by reason of the termination of his employment on any one or more of the grounds:
 - (a) that he has been guilty of misconduct; or
 - (b) that he has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally; or
 - (c) that he has been convicted of a criminal offence involving his integrity or honesty; or
 - (d) on any other ground on which an employer would be entitled to terminate his employment pursuant to applicable laws or under the option-holder's employment contract;
- (vi) the date on which the option-holder commits a breach of paragraph (9);
- (vii) if an option was granted subject to certain conditions, restrictions or limitations, the date on which the Board resolves that the option-holder has failed to satisfy or comply with such conditions, restrictions or limitations;
- (viii) in respect of the option-holder being a consultant or advisor (whether individual or corporation), the date on which the Board resolves that the consultant or advisor fails to comply with any provisions of the relevant contracts, or breaches its fiduciary duty under the common law; and
- (ix) the occurrence of such event or expiry of such period as may have been specifically provided for in the offer letter, if any.

(19) Ranking of Shares

The Shares to be allotted upon 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 fully paid Shares in issue on the date of allotment. Accordingly, the Shares will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment provided that the record date for the dividend or distribution is a date after the date of allotment.

(20) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing from the date on which the Share Option Scheme is deemed to take effect in accordance with its terms, after which period no further options will be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. In particular, all options granted before the end of such period shall continue to be valid and exercisable after the end of such period in accordance with the terms of the Share Option Scheme.

(21) Alterations of the Share Option Scheme

The Share Option Scheme may be altered by the Board except that any material alteration to its terms and conditions or any change to the terms of options granted (except where such alterations take effect automatically under the existing terms of the Share Option Scheme) shall first be approved by the Shareholders in general meeting and the provisions of the Share Option Scheme which relate to the matters set out in Rule 23.03 of the GEM Listing Rules cannot be altered to the advantage of the option-holders except with the prior sanction of a resolution of our Company in general meeting. Any amended terms of the Share Option Scheme shall comply with Chapter 23 of the GEM Listing Rules.

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(22) Administration

The Share Option Scheme shall be administered by the Board or the scheme administrator appointed by the Board. The Board may appoint a scheme administrator to manage the Share Option Scheme. The decision of the Board as to all matters relating to the Share Option Scheme or its interpretation or effect (save as otherwise provided) shall be final and binding on all parties affected thereby. In particular, the Board shall finally determine whether a person is eligible to participate in the Share Option Scheme. Without prejudice to any of the provisions of the Share Option Scheme, the Board may from time to time adopt such operational rules as it may deem fit for the purpose of giving effect to or implementing the Share Option Scheme (including without limitation rules which may restrict the exercise of the options granted or to be granted or otherwise impose restrictions on the option-holder) provided that such operational rules do not conflict with the Share Option Scheme or contravene any of the provisions of the GEM Listing Rules. Any change to the authority of the Board or the administrators of the Share Option Scheme shall be approved by the Shareholders in general meeting.

(23) Options to Related Persons

- (i) Any grant of options to a Director, chief executive or substantial Shareholder of our Company or any of their respective associates ("**Related Person**") must be approved by our independent non-executive Directors (excluding any independent non-executive Director who is also a proposed grantee of such options).
- (ii) Any grant of options to a substantial Shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting if the Shares issued and to be issued upon the exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) in the 12-month period up to and including the proposed Offer Date: (a) would represent in aggregate more than 0.1% of the Shares then in issue; and (b) would have an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5,000,000 (or such other amount as shall be permissible under the GEM Listing Rules from time to time).
- (iii) At the general meeting to approve the proposed grant of options pursuant to this paragraph (23), all connected persons of our Company must abstain from voting unless intending to vote against the proposed grant and that intention has been stated in the circular to be despatched to the Shareholders in accordance with GEM Listing Rules. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the relevant provisions of the GEM Listing Rules.

(24) Restrictions on grant of Options

No grant of Options shall be made after an event which constitutes inside information (as defined under the SFO) has occurred or a matter which may constitute inside information has been the subject of a decision, until the inside information has been announced pursuant to the requirements of the GEM Listing Rules and Part XIVA of the SFO. In particular, no Option shall be granted during the period of 30 days immediately preceding the earlier of:

- (a) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any yearly, half-yearly or quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
- (b) the deadline for our Company to publish an announcement of its results for any year or half-year or quarterly under the GEM Listing Rules, or other interim period (whether or not required under the GEM Listing Rules),

and ending the date of the results announcement. The period during which no Option may be granted will cover any period of delay in the publication of a results announcement. Without prejudice to the foregoing, no Option shall be granted during the period specified in the GEM Listing Rules as being a period during which no Option may be granted.

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No grant of Options shall be made to a Qualified Participant who is a director of the Company during a period in which the directors are prohibited from dealing in Shares pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules (as amended from time to time) or the Company's own equivalent code.

(25) Cancellation of Options

Options granted but not exercised or lapsed may be cancelled by the Board at its discretion with the consent of the relevant option-holder. Subject to the consent from the relevant option-holder, the Board may at its discretion cancel Options previously granted to and yet to be exercised by, an option-holder. The option-holders whose options are cancelled may be issued new options in accordance with the provisions of the Share Option Scheme, provided that there are sufficient available unissued options (excluding such cancelled options) for such re-issuance under the Scheme Mandate.

(26) Termination

Our Company may at any time terminate the operation of the Share Option Scheme by resolution of the Board or resolution of the Shareholders in general meeting and in such event no further options will be offered but the provisions of the Share Option Scheme shall remain in force in all other respects. In particular, all options granted and accepted prior to the termination and yet to be exercised shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

As at the date of this [REDACTED], no options have been granted or agreed to be granted under the Share Option Scheme. On the basis of [REDACTED] Shares will be in issue immediately after completion of the [REDACTED]), the maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not exceed 10% of the total number of Shares in issue as at the [REDACTED], i.e. [REDACTED] Shares. Application [has been] made to the [REDACTED] for the [REDACTED] of and permission to deal in the [REDACTED] which may be issued pursuant to the exercise of the options granted under the Share Option Scheme.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of material contracts


The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or its subsidiaries within the two years preceding the date of this [REDACTED] and are or may be material in relation to the business of our Group as a whole:

- (a) The supplemental deed dated 15 February 2013 executed by Synergy Worldwide, SGT, Gain Best Group Limited ("Gain Best"), Fuqi Holdings Limited ("Fuqi"), Great Prime Group Limited ("Great Prime"), Mr. Fok Yin Pong, Sinochief, Mr. HK Tsang, Mr. Stephen Cheung and SCM (BVI), to clarify and amend various terms in the Original Incorporate Agreement dated 21 April 2011 executed by Synergy Worldwide (formerly known as Synergy Group Holdings International Limited), SGT, Gain Best, Fuqi, Great Prime, Mr. Fok, Sinochief, Mr. HK Tsang and SCM(BVI);
- (b) the reorganisation agreement dated [●];
- (c) the Deed of Indemnity, details of which are set out in paragraph D1 of this Appendix IV; and
- (d) the [REDACTED].

2. Intellectual property rights of our Group

Trademark


As at the Latest Practicable Date, members of our Group had registered/applied for the following trademarks:

No.	Trademark	Place of registration	Class	Registration number	Expiry Date
1.		HK	11 and 35	302122352	Until 22/12/2021

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(b) In Application

No.	Trademark	Place of application	Class	Application No.
1.	 Synergy	Japan	11 and 35	2014-033154

Patents

As at the [REDACTED], members of our Group have been recorded as the subsequent owner of the following patents:

No.	Place of registration	Patent No.	Title	Application No.	Expiry Date
1	Australia	2003252529	A New Fluorescent Lamp	2003252529	28/7/2023
2	Canada	2,495,809	Fluorescent Lamp Tube	2,495,809	28/7/2023
3	HK	1120360	Replaceable Electronic Tube In Tube	08111470.8	15/10/2016
4	India	239705	Fluorescent Lamp with Electronic Ballast	505/DELNP/2005	28/7/2023
5	Indonesia	ID 0021418	Fluorescent Lamp Tube	W-00200500466	28/7/2023
6	New Zealand	538570	A New Fluorescent Lamp	538570	28/7/2023
7	Philippines	1-2005-500361	A New Fluorescent Lamp Tube	1-2005-500361	28/7/2023
8	Russian Federation	2308783	Fluorescent Lamp	2005108353	28/7/2023
9	Singapore	110354	A New Fluorescent Lamp	200500702-6	28/7/2023
10	South Africa	2005/01995	A New Fluorescent Lamp	2005/01995	28/7/2023

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No.	Place of registration	Patent No.	Title	Application No.	Expiry Date
11	South Korea	713196	A New Fluorescent Lamp	2005-7002631	28/7/2023
12	USA	7,083,309	Fluorescent Lamp Tube Having Integrated Electronic Ballast	10/498,629	28/7/2023
13	Vietnam	5668	A New Fluorescent Lamp	1-2005-00271	28/7/2023

Our Group began to acquire the above registered patents from Mr. Chan and Mr. Ng in May 2009. The acquisition was completed in November 2011. Recordal applications of the assignment of the above registered patents in the relevant jurisdictions were filed in August and September 2012. The recordal applications have been completed for all countries mentioned above. As advised by our Hong Kong legal advisers as to intellectual property rights that the recordal applications of the assignment are formalities to enable the change of ownership be updated on the official register. All the above patents now stand in the name of our Group. Details of the risks associated to our intellectual property rights are set out in the section headed "Risk factors" in this [REDACTED].

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Domain Names

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

No.	Domain Name	Registration Date	Expiry Date
1.	www.synergy-group.com	12/8/2009	12/8/2015
2.	synergy-light.com	20/7/2009	20/7/2015
3.	synergy-light.com.hk	29/4/2010	29/4/2016
4.	synergy-light.hk	29/4/2010	29/4/2016
5.	synergy-cool.com	1/4/2011	1/4/2015
6.	synergy-cool.com.hk	1/4/2011	21/4/2016
7.	synergy-cool.hk	1/4/2011	8/4/2016
8.	synergy-cooling.com	1/4/2011	1/4/2015
9.	synergy-cooling.com.hk	1/4/2011	21/4/2016
10.	synergy-cooling.hk	1/4/2011	8/4/2016
11.	synergy-group.com.hk	26/4/2011	26/4/2016
12.	synergy-group.hk	1/4/2011	8/4/2016

At the development stage of our Group, we were dependent on our patent and our primary product, "Tube-in-Tube" Fluorescent Lamps. Since we have been gaining market recognition in our leasing services in Hong Kong, which uses mostly our "Tube-in-Tube" Fluorescent Lamps, we are able to rely more on our reputation and our leasing services model for future business growth.]

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXPERTS

1. Directors' service agreements

Each of the executive Directors [has entered] into a service agreement with our Company. The terms and conditions of each of such service agreements are similar in all material respects. The service agreements 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' written notice or payment in lieu to the other party. An executive Director is required to abstain from voting and is not counted towards the quorum in respect of any resolution of the Directors regarding the amount of the monthly salary and the discretionary bonus payable to him. The current basic annual remuneration (excluding discretionary bonus) of the executive Directors are as follows:

Name	Amount (HK\$)
Mr. Arthur Lam	[720,000]
Mr. Mansfield Wong	[720,000]

Mr. Alastair Lam, a non-executive Director, [has entered] into an appointment letter with our Company. He has been appointed with an initial term of [three] years commencing from the [REDACTED] subject to termination in certain circumstances as stipulated in the letter of appointment. The annual remuneration payable to the Mr. Alastair Lam under such letter is as follows:

Name	Amount (HK\$)
Mr. Alastair Lam	[180,000]

Each of the independent non-executive Directors of our Company [has entered] into an appointment letter with our Company. The terms and conditions of each such letters of appointment are similar in all material respects. Each of the independent non-executive Directors are 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 independent non-executive Directors under each of such letter are as follows:

Name	Amount (HK\$)
Mr. Chung Koon Yan	[180,000]
Mr. Cheung Yik Hung Jackie	[180,000]
Dr. Wong Chi Ying Anthony	[180,000]

2. Directors' remunerations

The aggregate remuneration paid by our Group to the Directors in respect of the two years ended 31 March 2013 and 31 March 2014 and the six months ended 30 September 2014 were approximately HK\$879,000, HK\$879,000 and HK\$316,000 respectively.

Pursuant to the current arrangements, it is estimated that an aggregate amount of approximately HK\$0.7 million will be paid to the Directors as Directors' remuneration for the year ending 31 March 2015.

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3. Disclosure of interests

(a) *Interests and short positions of our Directors and chief executive in the shares, underlying shares and debentures of our Company or its associated corporation*

Immediately following completion of the [REDACTED] and taking no account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, the interests and short positions of the Directors and chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which, once the Shares are [REDACTED], will have to be notified to our Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors required to be notified to our Company and the Stock Exchange, will be as follows:

(i) *Company*

<u>Name of Shareholder</u>	<u>Nature of Interest and Capacity</u>	<u>Number of Shares</u>	<u>Approximate Percentage</u>
			(%)

[REDACTED]

Save as disclosed above, none of our Directors or the chief executives of our Company has any interest or short position in the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) immediately following the completion of the [REDACTED] and taking no account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, 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 which they are taken or deemed to have taken under such provision of the SFO), or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors, in each case once [REDACTED].

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(b) *Interests and short positions of the substantial shareholders in the shares and underlying shares*

So far as our Directors are aware, immediately following the completion of the [REDACTED], but taking no account of any Shares which may be issued and allotted upon the exercise of any options which may be granted under the Share Option Scheme, the persons (other than the Directors or chief executive of our Company) who have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register of our Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 5% 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 will be as follows:

(i) *Company*

[REDACTED]

Save as disclosed above, our Directors are not aware of any person (other than our Directors or the chief executive of our Company) who will, immediately following completion of the [REDACTED] and taking no account of any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme, have an interest or short position in the Shares or underlying Shares that would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which are required to be recorded in the register of our Company required to be kept under section 336 of the SFO or who will be expected, directly or indirectly, to be interested in 5% or more of nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group.

4. Disclaimers

Save as disclosed in this [REDACTED]:

- (i) none of the Directors nor any of the experts listed in paragraph D6 headed "Qualification of experts" of this Appendix is interested, directly or indirectly, in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this [REDACTED], acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (ii) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this [REDACTED] which is significant in relation to the business of our Group;

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- (iii) [save in connection with the **[REDACTED]**,] none of the experts listed in paragraph D6 headed "Qualification of experts" in this Appendix IV:
 - (a) is interested legally or beneficially in any securities of any member of our Group; or
 - (b) 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;
- (iv) none of the Directors or their associates or the existing Shareholders (which to the knowledge of the Directors owns more than 5% of our Company's issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Mr. Mansfield Wong, Abundance and Mr. Arthur Lam, each a Core Shareholder (the "Indemnifiers") have entered into a deed of indemnity (the "Deed of Indemnity") in favour of our Company (for ourselves and as trustees for each of our present subsidiaries) to provide indemnities in respect of, among other matters:

- (a) any liability of any or all members of our Group to any form of taxation and duty whenever created or imposed, whether of Hong Kong, the PRC, Cayman Islands, British Virgin Islands or of any other part of the world, and without prejudice to the generality of the foregoing includes (without limitation) profits tax, provisional profits tax, business tax on gross income, income tax, value added tax, interest tax, salaries tax, property tax, land appreciation tax, lease registration tax, estate duty, capital gains tax, death duty, capital duty, stamp duty, payroll tax, withholding tax, taxation as a result of notification of direct and indirect transfer of PRC property or assets under Circular No. 698 of the State Administration of Taxation of the PRC, corporate income tax, rates, customs and excise duties, rates, and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities whether of local, municipal, provincial, national, state or federal level whether of Hong Kong, the PRC, Cayman Islands, British Virgin Islands or any other part of the world (including any and all taxation resulting from the receipt by any member of our Group of any amounts paid by Indemnifiers hereunder or any change in the law or the formal/written interpretation thereof by the relevant tax authorities in any jurisdictions in which any member of our Group operates that is promulgated, published and comes into force before the Effective Date);
- (b) all reasonable costs (including all legal costs), expenses and other liabilities which any member of our Group may reasonably and properly incur in connection with:
 - (i) the investigation, the assessment or the contesting of any taxation claim;
 - (ii) the settlement of any claim under the Deed of Indemnity;
 - (iii) any legal proceedings in which any member of our Group claims under or in respect of the Deed of Indemnity and in which judgement is given for any member of our Group; or
 - (iv) the enforcement of any such settlement or judgement,

falling on any member of our Group resulting from or by reference to any income, profits or gains earned, accrued or received on or before the **[REDACTED]** or any event or transaction 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, company or corporation;

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- (c) any and all losses, claims, actions, demands, liabilities, damages, costs (including but not limited to legal and other professional costs), expenses, payments, charges, outgoings, sums, penalties and fines, and regulatory punishment by any authority (whether in Hong Kong, the PRC, Cayman Islands, British Virgin Islands or any part of the world) of whatever nature suffered or incurred by any member of our Group directly or indirectly as a result of or in connection with:
 - (i) any default, failure or delay of any member of our Group in registering any intellectual property rights owned or acquired by any member of our Group; and
 - (ii) any claim by any third party for infringement of any intellectual property rights owned, acquired or enjoyed by any member of our Group,
 - (iii) all expenses, payments, sums, outgoings, fees, demands, claims, damages, losses, costs, charges, liabilities, fines, penalties arising from any and all of the non-compliance with, or breach of any provision of, the Companies Ordinance or other applicable laws, rules or regulations by any member of our Group in their respective place of incorporations which has occurred at any time on or before the [REDACTED]; and
 - (iv) all claims, payments, suits, damages, settlement payments, and any associated costs and expenses which would be incurred or suffered directly or indirectly, from or on the basis of or in connection with the civil proceedings and non-compliance matters of any member of our Group as described in the paragraph headed "Regulatory Compliance" under the section headed "Business" of this [REDACTED], which has occurred at any time on or before the [REDACTED].

The Deed of Indemnity does not cover any claim and the Indemnifier shall be under no liability under the Deed of Indemnity in respect of taxation or liability:

- (a) to the extent that provision or reserve has been made for such taxation or liability in the audited accounts of any member of our Group for any accounting period up to 31 March 2014 and the six months ended 30 September 2014;
- (b) to the extent that such taxation or liability falling on any member of our Group in respect of any accounting period commencing on or after [1 October 2014] and ending on the [REDACTED], where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily entered into by, any of the 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 Indemnifier, other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business of any member of our Group or in the ordinary course of acquiring and disposing of capital assets of any member of our Group after [1 October 2014]; or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment of any member of our Group created on or before [30 September 2014];
- (c) to the extent of any provision or reserve made for taxation or liability in the audited accounts of any member of our Group up to [30 September 2014] which is finally established to be an over-provision or an excessive reserve, in which case the Indemnifier's liability (if any) in respect of such 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 this sub-clause (c) to reduce the Indemnifier's liability in respect of taxation or liability shall not be available in respect of any such liability arising thereafter; or

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- (d) to the extent any taxation or liability arises or is 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 or practice thereof by the Inland Revenue Department of Hong Kong or the taxation authority in the PRC, or any other relevant authority (whether in Hong Kong, the PRC, Cayman Islands, British Virgin Islands or any other part of the world) coming into force after the date of the Deed of Indemnity or to the extent that such taxation or liability arises or is increased by an increase in rates of taxation or claims on or after the Effective Date with retrospective effect.

The Deed of Indemnity is conditional on the conditions set out in the paragraph headed "Conditions" under the section headed "[REDACTED]" in this [REDACTED] being fulfilled.

The 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 and other jurisdiction in which the companies comprising our Group are incorporated.

2. Litigation

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

3. Preliminary Expenses

Our Company's estimated preliminary expenses are approximately US\$4,200 (equivalent to approximately HK\$33,000) and are payable by our Company.

4. Sponsor

The Sponsor has made an application on our Company's behalf to the Stock Exchange for [REDACTED] of, and permission to deal in, the Shares in issue and [REDACTED] as mentioned in this [REDACTED] and any Shares falling to be issued pursuant to the exercise of options that may be granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into [REDACTED].

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5. Particulars of the [REDACTED]

The details of the [REDACTED] and number of [REDACTED] by it under the [REDACTED] are set out below:

Name and address of the [REDACTED]	Description	Number of [REDACTED]
Mr. Cheung Tsun Yung Thomas 10/F, Cherry Court 12 Tai Hang Road Tai Hang Hong Kong	Merchant	[REDACTED]
Miss Cheng Wan Gi Flat D, 21/F The Sail at Victoria 86 Victoria Road Kennedy Town Hong Kong	Merchant	[REDACTED]
Mr. Sun Jianji No.27 Cui Yuan Street South South Garden Village Nam Long Town Zhongshan City Guangdong Province, China	Merchant	[REDACTED]

6. Qualifications of experts

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

Name	Qualification
BDO Limited	Certified Public Accountants
Conyers Dill & Pearman (Cayman) Limited	Cayman Islands attorneys-at-law
[REDACTED]	a licenced corporation to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
GFE Law Office	Legal adviser as to PRC law
Iu, Lai & Li	Hong Kong Solicitors
Ms. Ebony Ling	Barrister-at-law in Hong Kong
Wilkinson & Grist	Hong Kong Solicitors (regarding intellectual property laws)

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7. Consents of experts

Each of the experts named in paragraph D6 of this Appendix has given and has not withdrawn their respective consent to the issue of this [REDACTED] with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

8. Promoters

Our Company has no promoter.

9. Share register

The 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 the Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, the branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

10. Binding Effect

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

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11. Miscellaneous

Save as disclosed in this [REDACTED], within the two years immediately preceding the date of this [REDACTED],

- (a) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
- (b) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (c) neither our Company nor any of its subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares;
- (d) none of the Directors nor any of the persons whose names are listed in paragraph D6 headed "Qualification of experts" of this Appendix has received any commissions, discounts, agency fees, brokerages or other special terms in connection [REDACTED];
- (e) no commission has been paid or payable (except commissions to the [REDACTED]) for [REDACTED];
- (f) no part of the shares or loan capital of our Company is [REDACTED]. At present, our Company is not seeking or proposing to seek [REDACTED] of, or permission to deal in, [REDACTED];
- (g) our Company has no outstanding convertible debt securities; and
- (h) there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company.