

## HISTORY AND CORPORATE DEVELOPMENT

### BUSINESS AND CORPORATE DEVELOPMENT

#### Synergy Worldwide

The history of our Group can be traced back to 20 October 2008 when Mr. Alastair Lam and Mr. Derek Yeung acquired a shelf company, Oriental Champ Investments Limited, now known as Synergy Worldwide. They were both appointed as directors of Synergy Worldwide on 20 October 2008. Synergy Worldwide was authorised to issue a maximum of 50,000 shares of one class with a par value of US\$1.00 each. At that time and by allotment, Mr. Alastair Lam and Mr. Derek Yeung held 60% and 40% of the shareholding of Synergy Worldwide respectively. On 5 August 2009, Mr. Derek Yeung transferred all his shareholdings in Synergy Worldwide to Mr. Alastair Lam at a consideration equal to the aggregate par value of such shares and left our Group to pursue other business opportunities and he resigned as a director of Synergy Worldwide on the same day. Mr. Alastair Lam then held 100% shareholding of Synergy Worldwide.

On 6 August 2009, Mr. Mansfield Wong was appointed as a director of Synergy Worldwide. On 18 December 2009, Mr. Arthur Lam was appointed as a director of Synergy Worldwide. The business of our Group was initially funded by Mr. Alastair Lam from his own personal resources.

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 ("**Class A Shares**") and class B Shares ("**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.

The rights of Class A Shares and Class B Shares are the same as regards to voting, dividend and return of capital, and rank pari passu to each other, and are substantially the same as regards to all other rights and obligations except that holders of Class B Shares have the following additional rights and obligations:

- (a) holders of Class B Shares have the Class B Shares Redemption Option. If the Class B Shares Redemption Option is not exercised within 60 days from the second anniversary of the date of issue of the Class B Shares, each Class B Share shall be automatically converted into one Class A Share; and
- (b) any transfer of Class B Shares shall be subject to the right of first refusal of other holders of Class B Shares and holders of Class A Shares to purchase such Class B Shares on a pro-rata basis.

On 19 December 2009:

- (a) 10 ordinary shares which Mr. Alastair Lam held were all redesignated as Class A Shares;
- (b) Synergy Worldwide further issued and allotted 11,859 Class A Shares to Mr. Alastair Lam for the aggregate consideration of US\$11,859, equal to the aggregate par value of such Class A Shares;
- (c) Mr. Arthur Lam was allotted 2,556 Class A Shares for the consideration of US\$2,556, equal to the aggregate par value of such Class A Shares;
- (d) Abundance was allotted 2,556 Class A Shares for the consideration of US\$2,556, equal to the aggregate par value of such Class A Shares;
- (e) Fine Sky was allotted 894 Class A Shares for the consideration of US\$894, equal to the aggregate par value of such Class A Shares;
- (f) a declaration of trust was entered into between Mr. Alastair Lam and Miss Cheng, of which Mr. Alastair Lam declared that 1,092 out of the total of 11,869 Class A Shares held in his name at that time were held on trust for the benefit of Miss Cheng;

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- (g) a declaration of trust was entered into between Mr. Alastair Lam and Mr. Cheung of which Mr. Alastair Lam declared that 1,092 out of the total of 11,869 Class A Shares held in his name were held on trust for the benefit of Mr. Cheung;
- (h) a declaration of trust was entered into between Mr. Alastair Lam and Mr. Lau of which, Mr. Alastair Lam declared that 728 out of the total of 11,869 Class A Shares held in his name at that time were held on trust for the benefit of Mr. Lau;
- (i) a declaration of trust was entered into between Mr. Alastair Lam and Mr. Sun, of which Mr. Alastair Lam declared that 1,092 out of the total of 11,869 Class A Shares held in his name at that time were held on trust for the benefit of Mr. Sun; and
- (j) a declaration of trust was entered into between Mr. Arthur Lam and Mr. Kwan, of which Mr. Arthur Lam declared that 416 out of the total of 2,556 Class A Shares held in his name at that time were held on trust for the benefit of Mr. Kwan.

After the issue and allotment of the Class A Shares and the declarations of trusts, on 19 December 2009, Synergy Worldwide was beneficially owned by the following persons in the following manner:

Registered shareholder	Beneficial shareholder	Class A Shares	Approximate % of Class A Shares (Note)	Class B Shares	Approximate % of Class B Shares	Approximate Combined % (Note)
Mr. Alastair Lam	Mr. Alastair Lam	7,865	44.0%	–	–	44.0%
Mr. Alastair Lam	Miss Cheng	1,092	6.1%	–	–	6.1%
Mr. Alastair Lam	Mr. Cheung	1,092	6.1%	–	–	6.1%
Mr. Alastair Lam	Mr. Lau	728	4.1%	–	–	4.1%
Mr. Alastair Lam	Mr. Sun	1,092	6.1%	–	–	6.1%
Mr. Arthur Lam	Mr. Arthur Lam	2,140	12.0%	–	–	12.0%
Mr. Arthur Lam	Mr. Kwan	416	2.3%	–	–	2.3%
Abundance	Abundance	2,556	14.3%	–	–	14.3%
Fine Sky	Fine Sky	894	5.0%	–	–	5.0%
TOTAL		<u>17,875</u>	<u>100.0%</u>	<u>–</u>	<u>–</u>	<u>100.0%</u>

Note: The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.

Each of Miss Cheng, Mr. Cheung, Mr. Lau and Mr. Sun is an acquaintance of Mr. Alastair Lam and Mr. Kwan is an acquaintance of Mr. Arthur Lam. Each of the Beneficial Owners is an Independent Third Party and they are not connected with Fine Sky and any of the Existing Individual Shareholders.

At the time, our Group was in the initial stage of developing its business, and it was uncertain whether our Group's business would be successful. Whilst each of the Beneficial Owners were passive investors in our Group during its infancy, they did not wish to be named as registered shareholders of, and be associated with, our Group, as there were uncertainties involved in starting up a new business. If our Group's business becomes unsuccessful and subject to winding-up and creditors' claims, these may lead to reputational damage and attribution of fault, responsibility and potential personal liability. As a result, Mr. Alastair Lam and Mr. Arthur Lam agreed to hold the Class A Shares on trust for the Beneficial Owners and would transfer the legal interest of such Class A Shares back to the Beneficial Owners on demand.

As our Group was at its growth stage and further capital was needed for its expansion, Synergy Worldwide decided to raise further funds in the aggregate sum of HK\$8,500,000 (from other persons who at the time were not the existing shareholders of Synergy Worldwide) to finance the working capital of our Group by issuing 2,125 Class B Shares at an issue price of HK\$4,000 per Class B Share on 21 December 2009.

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On 15 January 2010, 500 Class B Shares were allotted to Mr. Chu for the consideration of HK\$2,000,000, of which the consideration was settled in January 2010; 250 Class B Shares were allotted to Mr. Paul Lam Jr for the consideration of HK\$1,000,000, of which the consideration was settled in February 2010; 250 Class B Shares were allotted to Miss HY Tsang for the consideration of HK\$1,000,000, of which the consideration was settled in December 2009; 125 Class B Shares were allotted to Width for the consideration of HK\$500,000, of which the consideration was failed to be fully paid; 250 Class B Shares were allotted to Mr. HK Tsang for the consideration of HK\$1,000,000, of which the consideration was settled in January 2010; and 750 Class B Shares were allotted to Sinochief for the consideration of HK\$3,000,000, of which the consideration was settled in December 2009. A total of 2,125 Class B Shares of Synergy Worldwide were allotted and share certificates for Class B Shares were issued to each of the aforesaid holders at that time. All the funds arising out of the allotments (other than funds from Width which remained outstanding) were injected into Synergy Worldwide as working capital of our Group. Save for the rights of Class B Shares stated above, no other special right was granted to these holders of the Class B Shares.

On the date of issue and allotment of the Class B Shares to the respective holders of the Class B Shares, each such holder (except Width), Mr. Alastair Lam and Synergy Worldwide entered into a deed of waiver and release, whereby Mr. Alastair Lam agreed to grant to each holder of Class B Shares (except Width) an Option exercisable by each of them within the Option Period. In consideration of Mr. Alastair Lam agreeing to grant such option, the holders of Class B Shares (except Width) agreed to waive their respective rights to exercise the Class B Shares Redemption Option on the terms and conditions set out in the memorandum and articles of association of Synergy Worldwide and that to the extent the Option was not exercised within the Option Period, the holders of Class B Shares (except Width) agreed to convert all of the remaining Class B Shares into Class A Shares on a one for one basis. In respect of the arrangements among Mr. Alastair Lam, Synergy Worldwide and the holders of the Class B Shares, the illustration of the Class B Shares Redemption Option is set out in note 29 of the Accountant's Report in Appendix I to this [REDACTED].

After the issue and allotment of 2,125 Class B Shares, Synergy Worldwide was beneficially owned by the following persons in the following manner:

Registered shareholder	Beneficial shareholder	Class A Shares	Approximate % of Class A Shares (Note)	Class B Shares	Approximate % of Class B Shares (Note)	Approximate Combined % (Note)
Mr. Alastair Lam	Mr. Alastair Lam	7,865	44.0%	–	–	39.3%
Mr. Alastair Lam	Miss Cheng	1,092	6.1%	–	–	5.5%
Mr. Alastair Lam	Mr. Cheung	1,092	6.1%	–	–	5.5%
Mr. Alastair Lam	Mr. Lau	728	4.1%	–	–	3.6%
Mr. Alastair Lam	Mr. Sun	1,092	6.1%	–	–	5.5%
Mr. Arthur Lam	Mr. Arthur Lam	2,140	12.0%	–	–	10.7%
Mr. Arthur Lam	Mr. Kwan	416	2.3%	–	–	2.1%
Abundance	Abundance	2,556	14.3%	–	–	12.8%
Fine Sky	Fine Sky	894	5.0%	–	–	4.5%
Mr. Chu	Mr. Chu	–	–	500	23.5%	2.5%
Mr. Paul Lam Jr	Mr. Paul Lam Jr	–	–	250	11.8%	1.3%
Miss HY Tsang	Miss HY Tsang	–	–	250	11.8%	1.3%
Width	Width	–	–	125	5.9%	0.6%
Mr. HK Tsang	Mr. HK Tsang	–	–	250	11.8%	1.3%
Sinochief	Sinochief	–	–	750	35.3%	3.8%
<b>TOTAL</b>		<b>17,875</b>	<b>100.0%</b>	<b>2,125</b>	<b>100.0%</b>	<b>100.0%</b>

Note: The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.

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The consideration for the issue and allotment of 2,125 Class B Shares was arrived at after arm's length negotiation between Synergy Worldwide and the holders of Class B Shares and based on the post money valuation of our Group derived from an agreed multiple to the estimated net profit of our Group for the year ended 31 March 2011 of approximately HK\$8 million.

On 31 October 2010, Mr. Alastair Lam came to an agreement with the Note Subscribers, whereby the Note Subscribers agreed to provide a loan facility of HK\$8 million to Mr. Alastair Lam by way of subscription of the Exchangeable Notes issued by Mr. Alastair Lam, the funds to be used for the purpose of replenishing the working capital of our Group, in return for which Mr. Alastair Lam agreed to transfer such number of Class A Shares to the Note Subscribers equal to the face value of the Exchangeable Notes based on an agreed valuation of our Group, such rights being exercisable by the Note Subscribers. The agreed valuation of our Group was arrived at after arm's length negotiation between Mr. Alastair Lam and the Note Subscribers and based on the post money valuation of our Group derived from an agreed multiple to the estimated net profit of our Group for the year ended 31 March 2012 of approximately HK\$10 million. The Note Subscribers settled the consideration of the Exchangeable Notes in October 2011. Pursuant to the Exchangeable Notes, save as the right to request the transfer of such number of Class A Shares from Mr. Alastair Lam to the Note Subscribers, no special right was granted to the Note Subscribers.

On 31 March 2011, Mr. Alastair Lam transferred 624 Class A Shares to Miss Liu for the aggregate consideration of HK\$3,600,000; Mr. Arthur Lam transferred 208 Class A Shares to Miss Liu for the aggregate consideration of HK\$1,200,000; and Abundance transferred 208 Class A Shares to Miss Liu for the aggregate consideration of HK\$1,200,000, that is approximately HK\$5,769.2 for each Class A Share. On the same day, further allotment of a total of 800 Class A Shares was made. Mr. Chu was allotted 200 Class A Shares for the consideration of HK\$1,154,000; Mr. Paul Lam Jr was allotted 200 Class A Shares for the consideration of HK\$1,154,000; Mr. HK Tsang was allotted 400 Class A Shares for the consideration of HK\$2,308,000, that is HK\$5,770 for each Class A Share. The Class A Shares holders have all fully settled the consideration for the acquisition of the Class A Shares by August 2011. No special right was granted to these Class A Shares holders. 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. It was unnecessary for Synergy Worldwide to pay the consideration of HK\$500,000, as the consideration of the repurchase was set off against the consideration for the subscription owed by Width to Synergy Worldwide. Subsequently Synergy Worldwide issued the 125 Class B Shares so repurchased to Mr. HK Tsang for the consideration of HK\$721,250, that is HK\$5,770 for each Class B Share. The share certificate for the 125 Class B Shares in the name of Width was cancelled. Mr. HK Tsang has fully settled the consideration for the acquisition of the Class B Shares by April 2011. Save for the rights of Class B Shares stated above, no other special right was attached to these Class B Shares.

The transfer of Class A Shares from each of Mr. Alastair Lam, Mr. Arthur Lam and Abundance to Miss Liu took place as the other shareholders of Synergy Worldwide did not wish to further dilute their respective percentage interests in Synergy Worldwide in addition to the issue and allotment of 800 Class A Shares on 31 March 2011.

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On 31 March 2011, Mr. HK Tsang, Mr. Alastair Lam and Synergy Worldwide entered into another deed of waiver and release, whereby Mr. Alastair Lam agreed to grant to Mr. HK Tsang an option exercisable by Mr. HK Tsang within Mr. HK Tsang Option Period to request Mr. Alastair Lam to purchase the 125 Class B Shares allotted to Mr. HK Tsang on 31 March 2011 at the price equal to the issue price of the 125 Class B Shares plus an additional amount equivalent to 10% per annum of the issue price of the 125 Class B Shares less the amount of any dividends declared and paid to Mr. HK Tsang during the period from 31 March 2011 to 15 January 2012. In consideration of Mr. Alastair Lam agreeing to grant such option, Mr. HK Tsang agreed to waive his rights to exercise the Class B Shares Redemption Option on the terms and conditions set out in the memorandum and articles of association of Synergy Worldwide and that to the extent such option of Mr. HK Tsang under the deed dated 31 March 2011 was not exercised within Mr. HK Tsang Option Period, Mr. HK Tsang agreed to convert his 125 Class B Shares into Class A Shares on a one for one basis.

As at 31 March 2011, Synergy Worldwide was beneficially owned by the following persons in the following manner:

Registered shareholder	Beneficial shareholder	Class A Shares	Approximate % of Class A Shares (Note)	Class B Shares	Approximate % of Class B Shares (Note)	Approximate Combined % (Note)
Mr. Alastair Lam	Mr. Alastair Lam	7,241	38.8%	–	–	34.8%
Mr. Alastair Lam	Miss Cheng	1,092	5.8%	–	–	5.3%
Mr. Alastair Lam	Mr. Cheung	1,092	5.8%	–	–	5.3%
Mr. Alastair Lam	Mr. Lau	728	3.9%	–	–	3.5%
Mr. Alastair Lam	Mr. Sun	1,092	5.8%	–	–	5.3%
Miss Liu	Miss Liu	1,040	5.6%	–	–	5.0%
Mr. Arthur Lam	Mr. Arthur Lam	1,932	10.3%	–	–	9.3%
Mr. Arthur Lam	Mr. Kwan	416	2.2%	–	–	2.0%
Abundance	Abundance	2,348	12.6%	–	–	11.3%
Fine Sky	Fine Sky	894	4.8%	–	–	4.3%
Mr. Chu	Mr. Chu	200	1.1%	500	23.5%	3.4%
Mr. Paul Lam Jr	Mr. Paul Lam Jr	200	1.1%	250	11.8%	2.2%
Miss HY Tsang	Miss HY Tsang	–	–	250	11.8%	1.2%
Mr. HK Tsang	Mr. HK Tsang	400	2.1%	375	17.6%	3.7%
Sinochief	Sinochief	–	–	750	35.3%	3.6%
<b>TOTAL</b>		<b>18,675</b>	<b>100.0%</b>	<b>2,125</b>	<b>100.0%</b>	<b>100.0%</b>

Note: The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.

The consideration for the issue and allotment of 800 Class A Shares and re-issue of the 125 Class B Shares and the transfer of 1,040 Class A Shares to Miss Liu were approximately the same and they were arrived at after arm's length negotiation between Synergy Worldwide and the transferees and allottees of such Class A Shares and Class B Shares, and based on the post money valuation of our Group derived from an agreed multiple to the estimated net profit of our Group for the year ended 31 March 2012 of approximately HK\$10 million. The agreed multiple for the aforesaid transactions was higher than the agreed multiple for the Note Subscribers because of the increased certainty that our Group was able to achieve the estimated net profit of our Group for the year ended 31 March 2012 of HK\$10 million by the time the aforesaid transactions took place.

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On 2 November 2011, Mr. Alastair Lam applied the proceeds of the loan from the Note Subscribers to our Group, and Mr. Alastair Lam was allotted 1,808 Class A Shares for the consideration of HK\$8,000,000, or approximately HK\$4,424.8 for each Class A Share.

On 3 November 2011, Mr. Alastair Lam transferred 904 Class A Shares to Mr. Tong for the consideration of HK\$4,000,000; and transferred 904 Class A Shares to Mr. Chow for the consideration of HK\$4,000,000, or approximately HK\$4,424.8 for each Class A Share for the Note Subscribers' exercise of the exchange right under the Exchangeable Notes.

On 30 November 2011, Mr. Alastair Lam transferred the legal title of the following Class A Shares held by him to the respective beneficial owners of such Class A Shares for no consideration: (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 the legal title of 416 Class A Shares to Mr. Kwan, the beneficial owner of such Class A Shares, for no consideration.

As at 30 November 2011, Synergy Worldwide was owned by the following persons in the following manner:

Shareholder	Class A Shares	Approximate % of Class A Shares (Note)	Class B Shares	Approximate % of Class B Shares (Note)	Approximate Combined % (Note)
Mr. Alastair Lam	7,241	35.4%	–	–	32.0%
Miss Cheng	1,092	5.3%	–	–	4.8%
Mr. Cheung	1,092	5.3%	–	–	4.8%
Mr. Lau	728	3.6%	–	–	3.2%
Mr. Sun	1,092	5.3%	–	–	4.8%
Miss Liu	1,040	5.1%	–	–	4.6%
Mr. Arthur Lam	1,932	9.4%	–	–	8.5%
Mr. Kwan	416	2.0%	–	–	1.8%
Abundance	2,348	11.5%	–	–	10.4%
Fine Sky	894	4.4%	–	–	4.0%
Mr. Tong	904	4.4%	–	–	4.0%
Mr. Chow	904	4.4%	–	–	4.0%
Mr. Chu	200	1.0%	500	23.5%	3.1%
Mr. Paul Lam Jr	200	1.0%	250	11.8%	2.0%
Miss HY Tsang	–	–	250	11.8%	1.1%
Mr. HK Tsang	400	2.0%	375	17.6%	3.4%
Sinochief	–	–	750	35.3%	3.3%
<b>TOTAL</b>	<b>20,483</b>	<b>100.0%</b>	<b>2,125</b>	<b>100.0%</b>	<b>100.0%</b>

Note: The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.

None of the holders of Class B Shares exercised the Option, the option granted by Mr. Alastair Lam to Mr. HK Tsang on 31 March 2011 or the Class B Shares Redemption Option during their respective periods for exercise of such options and have all lapsed. 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.



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As at 23 August 2012, Synergy Worldwide was owned by the following persons in the following manner:

Shareholder	Class A Shares	Approximate Shareholding (%) (Note)
Mr. Alastair Lam	7,241	32.0%
Miss Cheng	1,092	4.8%
Mr. Cheung	1,092	4.8%
Mr. Lau	728	3.2%
Mr. Sun	1,092	4.8%
Miss Liu	1,040	4.6%
Mr. Arthur Lam	1,932	8.5%
Mr. Kwan	416	1.8%
Abundance	2,348	10.4%
Fine Sky	894	4.0%
Mr. Tong	904	4.0%
Mr. Chow	904	4.0%
Mr. Chu	700	3.1%
Mr. Paul Lam Jr	450	2.0%
Miss HY Tsang	250	1.1%
Mr. HK Tsang	775	3.4%
Sinochief	750	3.3%
TOTAL	22,608	100.0%

Note: The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.

As Mr. Alastair Lam wished to reallocate some of his resources and devote more time to his other investment, on 12 March 2014, Mr. Alastair Lam as vendor entered into an agreement for sale and purchase ("**Sale and Purchase Agreement**") of an aggregate of 4,528 Class A Shares with Abundance, Mr. Chu, Mr. Paul Lam Jr, Mr. Chow, Mr. Lau, Mr. Tong and a new investor, Success Gold as purchasers for a total consideration of HK\$24,999,999. Each Class A Share sold to the said purchasers were at the same consideration per Class A Share of approximately HK\$5,521.2. Pursuant to the Sale and Purchase Agreement which was completed on 12 March 2014, each of Abundance, Mr. Chu, Mr. Paul Lam Jr, Mr. Chow, Mr. Lau, Mr. Tong and Success Gold acquired 226 Class A Shares, 388 Class A Shares, 249 Class A Shares, 501 Class A Shares, 403 Class A Shares, 501 Class A Shares and 2,260 Class A Shares from Mr. Alastair Lam respectively.

The consideration for the transfer of the 4,528 Class A Shares was arrived at after arm's length negotiation between Mr. Alastair Lam and the transferees of those Class A Shares, with reference to the valuation of the Group used in the last subscription of Class A Shares.

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Accordingly, since 12 March 2014 and up to immediately prior to the completion of the Reorganisation, Synergy Worldwide had been owned by the following persons in the following manner:

Shareholder	Class A Shares	Approximate Shareholding (%) (Note)
Mr. Alastair Lam	2,713	12.0%
Miss Cheng	1,092	4.8%
Mr. Cheung	1,092	4.8%
Mr. Lau	1,131	5.0%
Mr. Sun	1,092	4.8%
Miss Liu	1,040	4.6%
Mr. Arthur Lam	1,932	8.5%
Mr. Kwan	416	1.8%
Abundance	2,574	11.4%
Fine Sky	894	4.0%
Mr. Tong	1,405	6.2%
Mr. Chow	1,405	6.2%
Mr. Chu	1,088	4.8%
Mr. Paul Lam Jr	699	3.1%
Miss HY Tsang	250	1.1%
Mr. HK Tsang	775	3.4%
Sinochief	750	3.3%
Success Gold	2,260	10.0%
TOTAL	22,608	100.0%

Note: The above percentage figures have been subject to rounding adjustments. Accordingly, figure shown as total may not be an arithmetic aggregation of the figures preceding it.

### SLL

SLL was established by Mr. Alastair Lam on 3 December 2008 as our Group's operating company for carrying out the energy saving service business in Hong Kong. He was allotted 100 shares of HK\$1.00 each and held the entire beneficial interest of SLL at that time.

On 1 July 2009, Mr. Mansfield Wong and Mr. Arthur Lam joined the management team of SLL as the Chief Executive Officer and an executive director respectively.

Mr. Alastair Lam transferred his entire shareholding in SLL to Synergy Worldwide for HK\$100 (the aggregate par value of all the then issued shares of SLL) on 3 September 2009. Thereafter, SLL became the wholly owned subsidiary of Synergy Worldwide.

On 29 May 2009, SLL entered into the 29 May 2009 Agreement to acquire the rights in the patents of the "Tube-in-Tube" Fluorescent Lamp technology from its original inventors and owners, Mr. Chan and Mr. Ng. Under the 29 May 2009 Agreement, Mr. Chan, Mr. Ng and Faeco (collectively "**Party B**") agreed to transfer the "Tube-in-Tube" Fluorescent Lamp technology patent/patent applications in 14 countries to SLL upon fulfillment of the following conditions:

- (i) Payment by SLL to Party B a sum of HK\$1.6 million by 31 October 2009;
- (ii) Payment by SLL to Party B another sum of HK\$1.6 million by four quarterly payments with the first payment of HK\$400,000 to be made by 31 October 2009 as compensation of the previously engaged business between Party B and its distributors;



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- (iii) Mr. Chan and Mr. Ng will accept the employment offer by SLL to oversee SLL's lighting product development and manufacturing department and an employment contract shall be engaged upon further discussion;
- (iv) SLL shall grant 5% of its shares to Party B by 31 October 2009;
- (v) Immediate termination of any commercial arrangement between Party B and any other customers, distributors, vendors, third parties unless a mutual arrangement has been agreed between SLL and Party B, and a revenue reimbursement scheme of all established business by Party B will be determined between SLL and Party B; and
- (vi) SLL shall reimburse Party B any maintenance fees, annuities and the like due on the patents to be assigned for the following period upon execution of the 29 May 2009 Agreement.

The sum of HK\$1.6 million as consideration for assignment of the patent/patent applications in 14 countries and another sum of HK\$1.6 million for termination or transfer of all business engagements that Party B had previously entered into with their distributors (i.e. in the total sum of HK\$3.2 million) ("**Agreed Consideration**") were mutually agreed after arm's length negotiations. Details of the "Tube-in-Tube" Fluorescent Lamp technology are set out under the section headed "Business – Intellectual property rights – "Tube-in-Tube" Fluorescent Lamp technology" in this [REDACTED]. Mr. Chan and Mr. Ng had also irrevocably consented and granted a licence to our Group to use and exploit the patents in various countries across the globe on an exclusive basis from 29 May 2009. Mr. Chan and Mr. Ng commenced providing services to SLL and our Group as consultants pursuant to the 29 May 2009 Agreement but no separate consultancy agreements were ever entered into between Mr. Chan and Mr. Ng and SLL respectively. On 29 March 2012, Fine Sky entered into a consultancy contract with SLL, whereby Fine Sky was appointed as consultant, among other things, to provide research and development services to SLL with the purpose of promoting and enhancing the Tube-in-tube products of SLL and quality control of such lighting products, at a fixed monthly fee of HK\$15,000 for a fixed terms of three years commencing from 1 October 2011. The term of this consultancy contract was extended for a further term of three years from the date of expiry of the original term by mutual agreement of the parties thereto on 4 September 2013. In 2009, SLL gained social recognition and received the Outstanding Green Excellence Award granted by CAPITAL magazine of South China Media.

On 23 December 2009, SLL, Synergy Worldwide, Mr. Chan, Mr. Ng, Faeco and Fine Sky entered into the Second IP Rights Agreement. The Second IP Rights Agreement became effective from 23 December 2009. Mr. Chan and Mr. Ng further consented and granted a licence to our Group to use and exploit the patents on the "Tube-in-Tube" Fluorescent Lamps and related marketing, promotional materials on an exclusive basis.

The Second IP Rights Agreement superseded the 29 May 2009 Agreement and under the Second IP Rights Agreement:

- (a) Mr. Chan and Mr. Ng with full title guarantee transfer and assign to Synergy Worldwide all their rights, titles and interests relating to the "Tube-in-Tube" Fluorescent Lamp technology patent/pending patent upon signing of the Second IP Rights Agreement;
- (b) ownership of all Mr. Chan's and Mr. Ng's rights, titles and interests relating to the "Tube-in-Tube" Fluorescent Lamp technology would also be transferred from Mr. Chan and Mr. Ng to Synergy Worldwide upon completion of the following:
  - (i) Payment by Synergy Worldwide to Mr. Chan, Mr. Ng and Faeco the sum of HK\$1.6 million with half of the payment to be settled on 23 December 2009 and the rest to be paid in four equal quarterly payments of HK\$200,000 each to be paid respectively on 31 March, 30 June, 30 September and 31 December 2010; and

## HISTORY AND CORPORATE DEVELOPMENT

- (ii) Payment by Synergy Worldwide to Mr. Chan, Mr. Ng and Faeco the sum of HK\$1.6 million by way of four equal quarterly payments of HK\$400,000 each to be paid respectively on 31 March, 30 June, 30 September and 31 December 2010 in consideration of the latter terminating or transferring all business engagements entered into with their distributors and clients prior to 23 December 2009;
- (c) Synergy Worldwide shall allot 894 Class A shares in Synergy Worldwide (representing 5% of the then total 17,875 allotted Class A shares of Synergy Worldwide) to Fine Sky on 23 December 2009;
- (d) Synergy Worldwide shall reimburse Mr. Chan, Mr. Ng and Faeco any and all renewal fees, annuities and the like due and paid on patents and/or patent applicants since 29 May 2009 provided that they are supported by documentary proof of all such payments made; and
- (e) the Agreed Consideration remain unchanged.

Pursuant to the Second IP Rights Agreement, Synergy Worldwide became the proprietary owner of Hong Kong Patent No. 1052834 after the change of its ownership was recorded with the Hong Kong Patents Registry on 1 September 2010. The effective date of our ownership of Hong Kong Patent No. 1052834 was 23 December 2009. The Hong Kong Patent No. 1052834 expired on 22 August 2010. Further recordal of change of ownership of Hong Kong Patent No. 1120360 to SLL was completed on 2 September 2011.

During the period of 23 December 2009 to 30 November 2011, some of the patents agreed to be transferred and assigned to Synergy Worldwide under the Second IP Rights Agreement have lapsed, expired or abandoned. As a result, the parties thereto renegotiated and entered into the Third IP Rights Agreement on 30 November 2011 to supersede the Second IP Rights Agreement with effect from its date of signing.

Pursuant to the Third IP Rights Agreement, the parties agreed to the following:

- (i) Mr. Chan and Mr. Ng shall proceed to transfer all its rights, title and interests of the remaining patents in the Second IP Rights Agreement that have not lapsed, expired or abandoned and not yet been transferred to Synergy Worldwide as at the date of the Third IP Rights Agreement; and
- (ii) to release and discharge each party from further performance of any and all outstanding obligations that each party is required to fulfil under the Second IP Rights Agreement which remained unfulfilled as of the date of the Third IP Rights Agreement.

On the date of the Third IP Rights Agreement, Synergy has paid HK\$1.6 million for the transfer of such patents. As a result of the Third IP Rights Agreement, Synergy Worldwide was not required to pay the remaining balance of the Agreed Consideration of HK\$1.6 million. On 30 November 2011, the transfer of the rights in the patents to our Group was completed.

As at the Latest Practicable Date, Synergy Worldwide is the proprietary owner of all the patents agreed to be transferred under the Third IP Rights Agreement. Details of the "Tube-in-Tube" Fluorescent Lamps technology are set out under the section headed "Business" in this [REDACTED].

## HISTORY AND CORPORATE DEVELOPMENT

We have successfully obtained different certifications for our "Tube-in-Tube" Fluorescent Lamps in order for us to explore overseas markets. As at the Latest Practicable Date, we have obtained the following certifications:

Certifications	Countries
CE	European markets
C Tick	Australia and New Zealand
PSE	Japan
TISI	Thailand
UL/cUL	USA/Canada

### Investment in the cooling business

In 2011, our Group expanded into the energy saving air conditioning and cooling management business. Mr. Fok Yin Pong ("**Mr. Fok**") introduced SGT and its shareholders to us for the purpose of forming a joint venture to carry on energy saving air conditioning and cooling management business. At that time, SGT was engaged in the business of provision of cooling management solutions.

During the course of negotiation, SCM (BVI) was incorporated in BVI on 1 April 2011. Subsequently, Mr. HK Tsang and Sinochief were also interested to invest in SCM (BVI). As a result, Synergy Worldwide, Mr. HK Tsang and Sinochief entered into the Original Incorporate Agreement with, amongst others, SGT and SCM (BVI) on 21 April 2011, which furthered our Group's investment into the energy saving air conditioning and cooling management business. Pursuant to the Original Incorporate Agreement, it was agreed that, amongst other things:

- i. SCM (HK), an operating company in Hong Kong shall be incorporated to conduct the cooling business;
- ii. SGT shall transfer all its signed/authorized distributorship and all refrigerant related mixing formulae to SCM (BVI) and all its rights and benefits of the sole distributorship rights of products of IS Point Refrigeration International Holdings Ltd. ("**IS Point**") in Hong Kong and Macau pursuant to the sole distributorship agreement entered into between SGT and IS Point on 15 November 2010 as amended by a supplemental agreement dated 13 May 2011 (the "**Cooling Assets**") for a total consideration made up partly of cash of HK\$25,000,000 ("**Cash Consideration**") and ownership of 13,000 shares in SCM (BVI);
- iii. The Cash Consideration shall be paid to Mr. Cheung Wai Man Stephen ("**Mr. Stephen Cheung**") within six months from the date of the Original Incorporate Agreement;
- iv. Out of the 18,400 shares in SCM (BVI): (i) Synergy Worldwide was to hold 5,000 shares; (ii) SGT was to hold 7,400 shares; (iii) Gain Best Group Limited ("**Gain Best**"), Fuqi Holdings Limited ("**Fuqi**") and Great Prime Group Limited ("**Great Prime**" together with Gain Best and Fuqi shall be referred to as the "**SGT Backers**") were to hold 5,400 shares; and (iv) Mr. Fok was to hold 200 shares; and
- v. Each of Mr. HK Tsang and Sinochief would subscribe for 200 shares in SCM (BVI) for a total of HK\$3.6 million.

It was the intention and a commercial decision of the shareholders of SGT and the SGT Backers that the Cash Consideration was to be paid to Mr. Stephen Cheung only. The said parties' intention was documented in the Original Incorporate Agreement and further elaborated in the Supplemental Deed that in consideration of Mr. Stephen Cheung agreeing to and procuring the completion by SGT of the transfer of the Cooling Assets to SCM (BVI) under the Incorporate Agreement and the SGT Backers becoming direct shareholders of SCM (BVI), the Cash Consideration was paid to Mr. Stephen Cheung instead of SGT.

## HISTORY AND CORPORATE DEVELOPMENT

Whilst the Original Incorporate Agreement recorded the legal end result of the transactions contemplated thereunder, further elaboration of the intermediate steps that led to such result as well as clearer explanation of the reasons and rationale for the parties to enter into such transactions were recorded in the Supplemental Deed, and the salient terms of which are as follows:

- i. Synergy Worldwide subscribed for 5,000 new shares in SCM (BVI) for HK\$25 million in cash, the 5,000 shares representing approximately 27.2% of the issued share capital of SCM (BVI); and
- ii. As directed by SCM (BVI), Synergy Worldwide's subscription price of HK\$25 million was paid to SGT (or as SGT directs in writing) instead of SCM (BVI), to assist SCM (BVI)'s payment to SGT of the Cash Consideration for the transfer of the Cooling Assets. As further directed by SGT, such Cash Consideration was paid directly to Mr. Stephen Cheung, the registered holder of approximately 86.4% of the issued share capital of SGT as referred in the Incorporate Agreement, instead of SGT; and
- iii. SGT directed that 5,600 shares in SCM (BVI) out of 13,000 shares of SCM (BVI) which it became entitled for the transfer of the Cooling Assets to SCM (BVI) were to be allotted instead to the SGT Backers as to 5,400 shares in SCM (BVI) and Mr. Fok as to 200 shares in SCM (BVI).

SGT Backers and Mr. Fok became entitled to 5,400 shares and 200 shares in SCM (BVI) respectively for the following reasons:

- (a) Mr. Stephen Cheung is the registered owner of approximately 86.4% of the then issued share capital of SGT at that time. Mr. Stephen Cheung is the beneficial owner of the majority of these shares in SGT. The shareholders of the SGT Backers had previously given both financial support and business advice to Mr. Stephen Cheung on SGT's cooling management business and for the incorporation of SGT in 9 June 2010. As a result, Mr. Stephen Cheung agreed with the SGT Backers that they were beneficially interested in some of the shares in SGT registered in the name of Mr. Stephen Cheung;
- (b) Mr. Stephen Cheung and the SGT Backers consented to, and procured, the transfer of the Cooling Assets by SGT to SCM (BVI). Mr. Stephen Cheung honoured his agreement with the SGT Backers, and hence the SGT Backers took up 5,400 shares in SCM (BVI) out of the 13,000 shares in SCM (BVI) which SGT was entitled for the transfer of the Cooling Assets; and
- (c) Mr. Fok introduced SGT to the Group, which resulted in the Incorporate Agreement and the transactions thereunder. SGT and the SGT Backers agreed that Mr. Fok would take up 200 shares in SCM (BVI) out of the 13,000 shares in SCM (BVI) which SGT was entitled for the transfer of the Cooling Assets.

The Cash Consideration was settled with the funds from internal resources of our Group in the sum of HK\$24 million and an interest free shareholder's loan of HK\$1 million from Mr. Alastair Lam to our Group. The total consideration for the transfer of the Cooling Assets was arrived at after our Group had made its own assessment of the business potential of SCM(BVI) and determined through arm's length negotiation amongst the parties to the Incorporate Agreement with reference to the estimated value of the mixing formulae and the projected profit to be generated therefrom.

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## HISTORY AND CORPORATE DEVELOPMENT

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SCM (HK) was incorporated in Hong Kong on 21 April 2011 with limited liability. SCM (BVI) has been the sole shareholder of SCM (HK) which was established as an operating company of SCM (BVI) to conduct the business of provision of energy saving air conditioning and cooling management services.

On completion of the Incorporate Agreement, SGT transferred all the Cooling Assets to SCM (BVI) and Synergy Worldwide became the registered holder of 5,000 shares of SCM (BVI), which represented approximately 27.2% of SCM (BVI). The other shareholders of SCM (BVI) were SGT (which held 7,400 shares and represented approximately 40.2% of SCM (BVI)), the SGT Backers (which held a total of 5,400 shares and represented approximately 29.3% of SCM (BVI)) and Mr. HK Tsang, Sinochief and Mr. Fok (each of which held 200 shares and represented approximately 1.1% of SCM (BVI) individually).

On 17 November 2011, Synergy Worldwide entered into Macau Joint Venture Agreement (which was supplemented and amended by two supplemental agreements dated 21 August 2012 entered into by Synergy Worldwide and SIEPS to amend certain terms of the Macau Joint Venture Agreement) with SIEPS. Under the Macau Joint Venture Agreement, Synergy Worldwide agreed to (a) provide Consultancy Services; and (b) sell lighting and refrigerating equipment and products to SIEPS within the territory of Macau on an exclusive basis.

SE (HK) was incorporated in Hong Kong on 11 June 2014 with limited liability. SCM (BVI) has been the sole shareholder of SE (HK) which was established as an operating company of SCM (BVI) in Hong Kong to conduct the business of provision of energy management systems solutions.

SCMM (BVI) was incorporated in the BVI on 11 November 2013. SCM (BVI) has been the sole shareholder of SCMM (BVI) which was established as an operating / intermediate holding company of SCM (BVI) to establish and hold the entire issued share capital of SEM (Malaysia) to operate the cooling management systems solutions in Malaysia.

SEM (Malaysia) was incorporated in Malaysia on 17 April 2014 with 100 shares in issue and were initially owned as to 50% by Mr. Stephen Cheung and 50% by Ms. Yim Wan Yee Eva. On 7 May 2014, SCMM (BVI) acquired the 50 issued shares from Mr. Stephen Cheung and the 50 issued shares from Ms. Yim Wan Yee Eva, both at the consideration of RM50 in cash which were determined based on the par value of the shares, which has been properly and legally completed and settled and SEM (Malaysia) became wholly-owned by SCMM (BVI) since 7 May 2014. As such, our Group had an attributable interest of approximately 27.2% in SEM (Malaysia). Mr. Stephen Cheung is a shareholder of SGT holding approximately 95.9% shareholding in SGT. Ms. Yim Wan Yee Eva is the spouse of Mr. Stephen Cheung. Save for the aforesaid, each of Mr. Stephen Cheung and Ms. Yim Wan Yee Eva was and still is an Independent Third Party. SEM (Malaysia) is an operating company of SCM (BVI) to operate the cooling management systems solutions in Malaysia.

Our Group expanded into energy saving air conditioning and cooling management business because our Directors believed (i) electricity consumptions of cooling appliances is approximately four times of the lighting appliance and thus its related service income is potentially higher; (ii) the potential share of customer base which may create synergy between the lighting business and the cooling business; and (iii) the expansion can further position our Group to be a one stop energy saving service provider given the electricity consumption for the use of lighting and cooling represents around 80% of the commercial electricity consumptions as a whole. Our Group currently does not intend to increase its investment in the cooling business.

## HISTORY AND CORPORATE DEVELOPMENT

### Discontinued operations during the Track Record Period

During the Track Record Period, we had a joint venture in Mexico through SLM and LNG Synergy (as defined below), and we have disposed our interest in the Mexico joint venture in October 2014. During the same period, we also set up a joint venture company, Jingan Synergy, in the PRC. Jingan Synergy has not commenced business and we have disposed our interest in our PRC joint venture in March 2014.

#### *SLM and LNG Synergy*

SLM was incorporated in Hong Kong on 2 December 2010, which was used as a joint venture vehicle between our Group and LNG. SLM became 55% held by Synergy Worldwide and 45% held by LNG on 18 December 2010. SLM formed LNG Synergy S.A. DE C.V. ("**LNG Synergy**"), a limited liability company in Mexico on 26 May 2011 which was then intended to be used as an operating vehicle of SLM to focus on the sale and marketing of energy saving lighting system in the region of Mexico. As the business plan for the Mexico region had not materialised, Synergy Worldwide disposed of the 5,500 issued shares, representing 55% equity interest held by it in SLM to LNG at the consideration of HK\$1 on 17 October 2014, which has been properly and legally completed and settled.

#### *Synergy (China) and Jingan Synergy*

On 6 June 2012, Synergy (China) was incorporated in Hong Kong with limited liability and had been directly wholly-owned by Synergy Worldwide. On 23 September 2013, Synergy (China), China Jingan and Topgal established Jingan Synergy, a Sino-foreign equity joint venture company in the PRC with a registered capital of HK\$60.89 million which had been agreed to be contributed by Synergy (China) as to 72%, China Jingan as to 20% and Topgal as to 8%.

China Jingan is a state-controlled enterprise established in the PRC. Topgal is a company incorporated in Seychelles and wholly-owned by Mrs. Angela Lam who is the spouse of Mr. James Lam.

It was the then intention of the Group to expand its business in the PRC by using such joint venture company. Since the expansion plan through Jingan Synergy would not be proceeded with for the time being, the Directors considered that Jingan Synergy and Synergy (China) were no longer useful to the Group, and Mr. Alastair Lam intended to acquire Synergy (China) as a shelf company for his own business use (which was not related to Jingan Synergy), Synergy Worldwide then disposed of all the 100 issued shares, representing 100% of the issued share capital of Synergy (China), to Mr. Alastair Lam at the aggregate consideration of HK\$100 in cash on 10 March 2014 which has been properly and legally completed and settled. The consideration for the disposal of the 100 issued shares of Synergy (China) to Mr. Alastair Lam was determined based on the paid up share capital of Synergy (China). For details please refer to the section headed "Relationship with Well Spread" in this [REDACTED].



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## HISTORY AND CORPORATE DEVELOPMENT

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### GROUP REORGANISATION

Our Company was incorporated in the Cayman Islands on 14 December 2011. On incorporation, our Company has an authorised share capital of HK\$380,000 divided into 380,000 ordinary shares of HK\$1.00 each. One share of HK\$1.00 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 14 December 2011. On the same day, 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. On 6 February 2012, our Company was 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). Our Company will become the ultimate holding company of our Group and the eventual [REDACTED] vehicle.

On 5 March 2015, the sole shareholder of our Company, Mr. Alastair Lam passed a resolution to approve the sub-division of all the ordinary shares of HK\$1.00 each in the issued and unissued share capital of our Company into 100 Shares. As a result, the authorised share capital of our Company became HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, of which 10,000 Shares have been issued nil paid and held by Mr. Alastair Lam.

In preparation for the [REDACTED], the Existing Shareholders, our Company, Synergy Worldwide and Mr. Mansfield Wong entered into the Reorganisation Agreement on 5 March 2015.

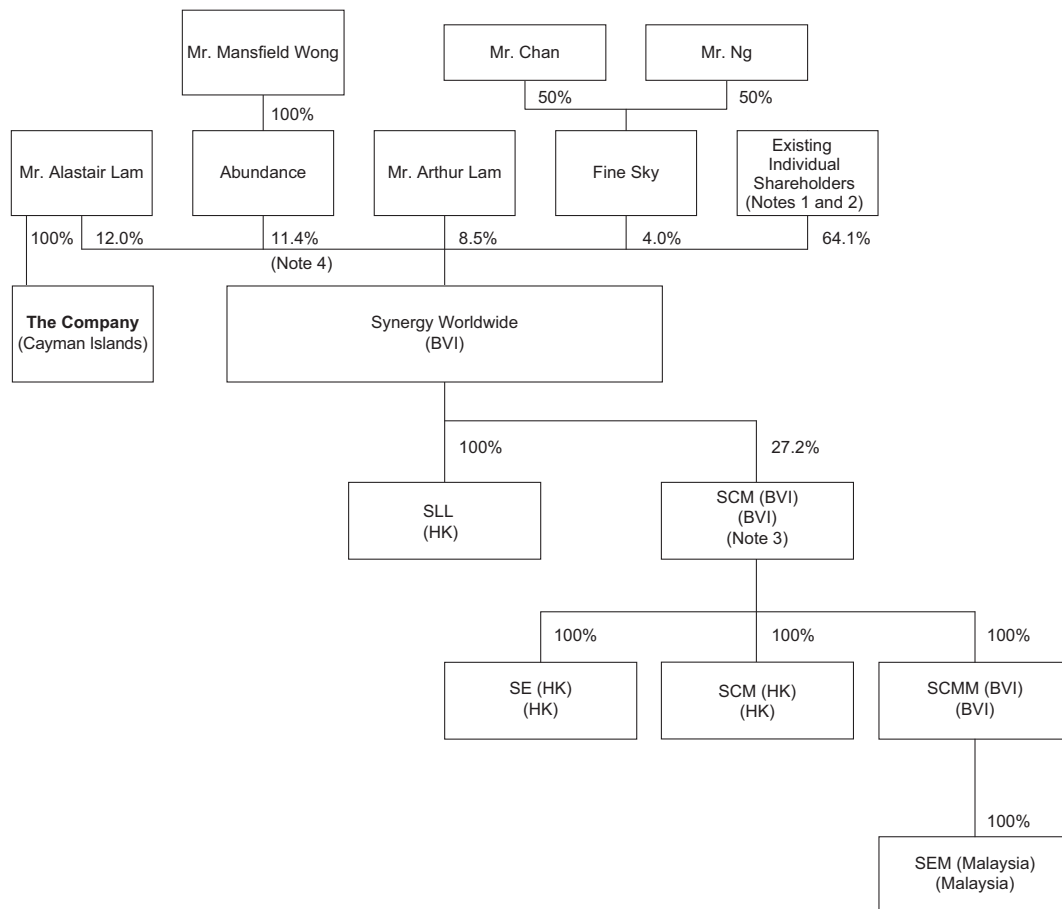
Pursuant to the Reorganisation Agreement, our Company acquired from the Existing Shareholders of Synergy Worldwide the entire share capital of Synergy Worldwide, in consideration of which our Company issued and allotted to the Existing Shareholders of Synergy Worldwide [REDACTED] credited as fully-paid and credited the 10,000 nil-paid Shares as fully-paid at par and held by Mr. Alastair Lam, such that on completion of the Reorganisation Agreement, the percentage shareholding of each of the Existing Shareholders (before the Reorganisation) and in our Company (after the Reorganisation) was approximately the same.

On completion of the Reorganisation but immediately prior to the completion of the [REDACTED], the Company had issued a total of [REDACTED] all of which were owned by the Existing Shareholders.

## HISTORY AND CORPORATE DEVELOPMENT

### SHAREHOLDING AND GROUP STRUCTURE

The following chart illustrates the shareholding structure and the corporate structure of our Group together with its associated companies immediately prior to the completion of the Reorganisation:

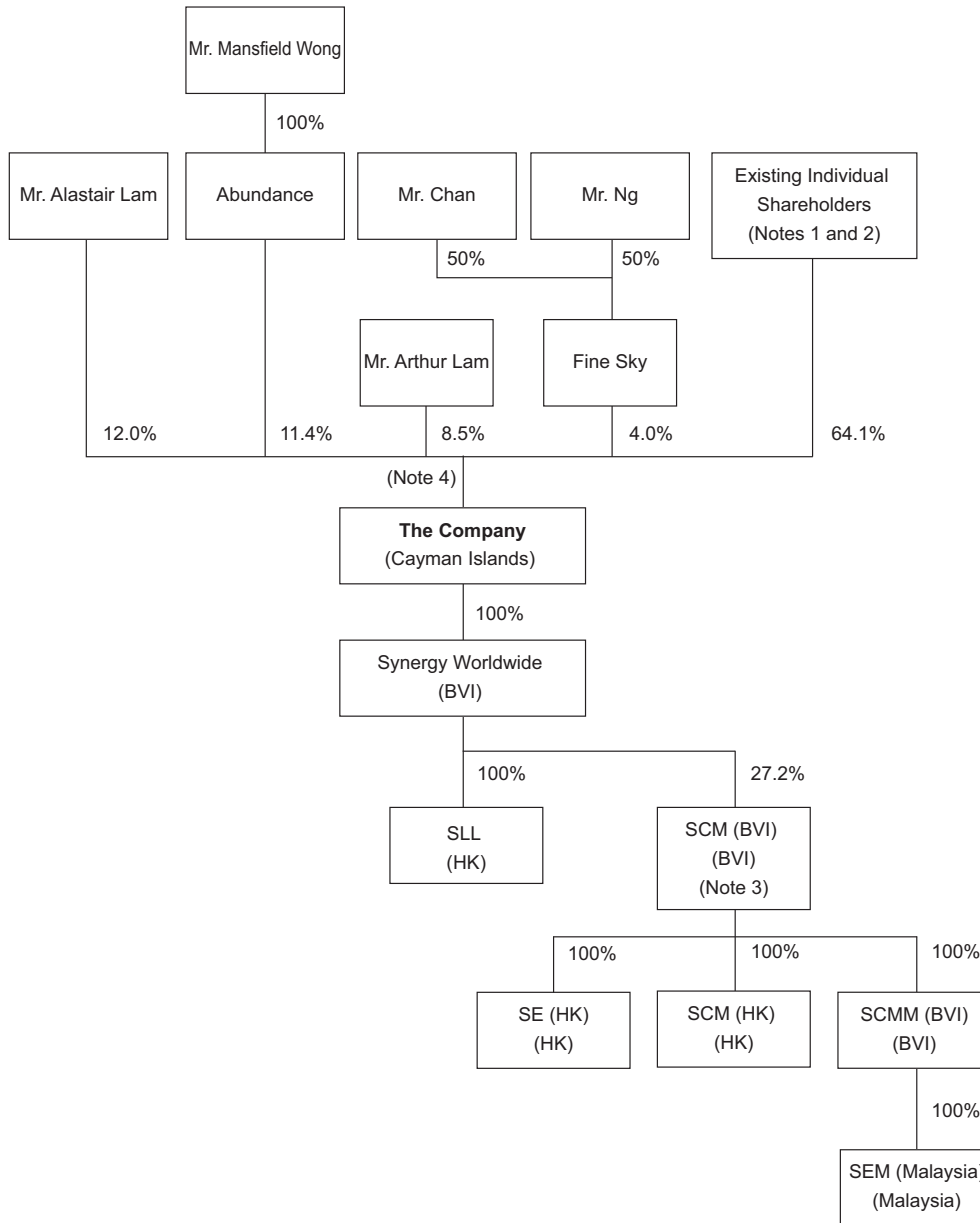


**Notes:**

- (1) Approximately 10.0%, 6.2%, 6.2%, 5.0%, 4.8%, 4.8%, 4.8%, 4.8%, 4.6%, 3.4%, 3.3%, 3.1%, 1.8% and 1.1% of the issued share capital of Synergy Worldwide were owned by Success Gold, Mr. Tong, Mr. Chow, Mr. Lau, Miss Cheng, Mr. Cheung, Mr. Sun, Mr. Chu, Miss Liu, Mr. HK Tsang, Sinochief, Mr. Paul Lam Jr, Mr. Kwan and Miss HY Tsang respectively. Sinochief is owned by Mr. Tang Kwok Cheung and Miss Zee Margaret in equal shares. Success Gold is wholly-owned by Miss Chan Yuk. The aforesaid percentage figures have been subject to rounding adjustments. Therefore, the aggregate shareholding of the Existing Individual Shareholders shown in the above chart of 64.1% may not be an arithmetic aggregation of such percentages figures.
- (2) All the Existing Individual Shareholders and, in relation to Sinochief and Success Gold, their ultimate beneficial owners are all Independent Third Parties. Each of Sinochief and Mr. HK Tsang also owns approximately 1.1% equity interest in SCM (BVI). None of the Existing Individual Shareholders or (in relation to those which are companies) their ultimate beneficial owners is a director of any member of our Group nor an associate of any connected person of our Company, nor will he or she be accustomed to take instructions from a connected person in respect of his or her Shares. The Existing Individual Shareholders are independent of each other.
- (3) SCM (BVI) is an associated company of our Group which is owned as to approximately 27.2% by Synergy Worldwide, approximately 40.2% by SGT, approximately 13.2% by Gain Best Group Limited, approximately 9.4% by Fuqi Holdings Limited, approximately 6.7% by Great Prime Group Limited, approximately 1.1% by Mr. Fok Yin Pong, approximately 1.1% by Sinochief and approximately 1.1% by Mr. HK Tsang. SGT is owned as to approximately 95.9% by Mr. Stephen Cheung, approximately 4.0% by Mr. Cheng Chi Kuen and approximately 0.1% by IS Point. Mr. Cheng Chi Kuen is a member of our senior management team. Pursuant to a supplemental agreement dated 13 May 2011 entered into between SGT and IS Point, SGT transferred all its rights and benefits of the sole distributorship rights of products of IS Point in Hong Kong and Macau under a sole distributorship agreement entered into between SGT and IS Point dated 15 November 2010. Save for the aforesaid, all the other shareholders of SCM (BVI) and (in relation to those shareholders which are companies) their ultimate beneficial owners are Independent Third Parties. The above percentage figures have been subject to rounding adjustments. Accordingly, figures may not add up to the corresponding total due to rounding.

## HISTORY AND CORPORATE DEVELOPMENT

The following chart illustrates the shareholding structure and the corporate structure of our Group together with its associated companies immediately after the Reorganisation but prior to completion of [REDACTED] and [REDACTED]:

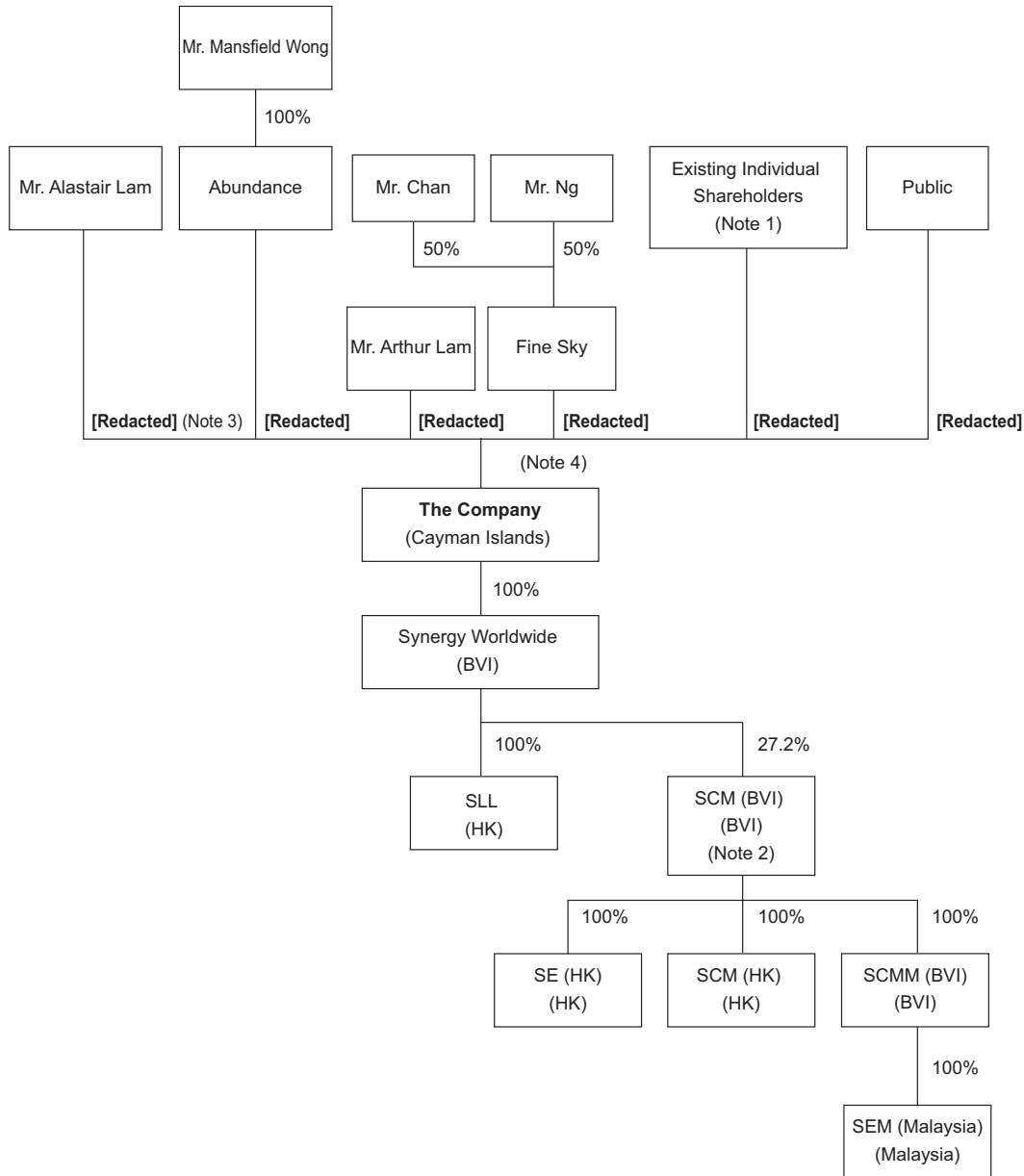


**Notes:**

- (1) Approximately 10.0%, 6.2%, 6.2%, 5.0%, 4.8%, 4.8%, 4.8%, 4.8%, 4.6%, 3.4%, 3.3%, 3.1%, 1.8% and 1.1% of our issued share capital were owned by Success Gold, Mr. Tong, Mr. Chow, Mr. Lau, Miss Cheng, Mr. Cheung, Mr. Sun, Mr. Chu, Miss Liu, Mr. HK Tsang, Sinochief, Mr. Paul Lam Jr, Mr. Kwan and Miss HY Tsang respectively. Sinochief is owned by Mr. Tang Kwok Cheung and Miss Zee Margaret in equal shares. Success Gold is wholly-owned by Miss Chan Yuk. The aforesaid percentage figures have been subject to rounding adjustments. Therefore, the aggregate shareholding of the Existing Individual Shareholders shown in the above chart of 64.1% may not be an arithmetic aggregation of such percentages figures.
- (2) All the Existing Individual Shareholders and, in relation to Sinochief and Success Gold, their ultimate beneficial owners are all Independent Third Parties. Each of Sinochief and Mr. HK Tsang also owns approximately 1.1% equity interest in SCM (BVI). None of the Existing Individual Shareholders or (in relation to those which are companies) their ultimate beneficial owners is a director of any member of our Group nor an associate of any connected person of our Company, nor will he or she be accustomed to take instructions from a connected person in respect of his or her Shares. The Existing Individual Shareholders are independent of each other.
- (3) SCM (BVI) is an associated company of our Group which is owned as to approximately 27.2% by Synergy Worldwide. For details of its other shareholders, please refer to Note 3 to the shareholding and group structure chart in page 91. The above percentage figures have been subject to rounding adjustments. Accordingly, figures may not add up to the corresponding total due to rounding.

## HISTORY AND CORPORATE DEVELOPMENT

The following chart illustrates the shareholding structure and the corporate structure of our Group together with its associated companies at [REDACTED] after completion of the Reorganisation and the [REDACTED] (assuming that no Shares have been issued pursuant to the exercise of any option that may be granted under the Share Option Scheme):



Notes:

- (1) The shareholding interest held by the Existing Individual Shareholders is owned as to approximately [REDACTED] of our issued share capital by Success Gold, Mr. Tong, Mr. Chow, Mr. Lau, Miss Cheng, Mr. Cheung, Mr. Sun, Mr. Chu, Miss Liu, Mr. HK Tsang, Sinochief, Mr. Paul Lam Jr, Mr. Kwan and Miss HY Tsang respectively. Sinochief is owned by Mr. Tang Kwok Cheung and Miss Zee Margaret in equal shares. Success Gold is wholly-owned by Miss Chan Yuk. None of the Existing Individual Shareholders or (in relation to those which are companies) each of their ultimate beneficial owners is a director of any member of our Group nor an associate of any connected person of our Company, nor will he or she be accustomed to take instructions from a connected person in respect of his or her Shares. The Existing Individual Shareholders are independent of each other.

## HISTORY AND CORPORATE DEVELOPMENT

- (2) SCM (BVI) is an associated company of our Group which is owned as to approximately 27.2% by Synergy Worldwide. For details of its other shareholders please refer to Note 3 to the shareholding and group structure chart in page 91.
- (3) The percentage shareholding of Mr. Alastair Lam in our Company immediately upon completion of [REDACTED] rounded up to 2 decimal places is [REDACTED].
- (4) The above percentage figures have been subject to rounding adjustments. Accordingly, figures may not add up to the corresponding total due to rounding.

Further Information about our subsidiaries and associated companies as at the Latest Practicable Date:

(a) Synergy Group Worldwide Limited (*subsidiary*)

Place of incorporation	BVI
Date of incorporation	8 August 2008
Public or private	Private
General nature of business	intermediate holding company
Authorised share capital	50,000 shares comprising 47,625 Class A shares and 2,375 Class B shares of US\$1.00 par value each
Issued share capital	22,608 Class A shares of US\$1.00 par value each
Attributable interest to our Company	100%

(b) Synergy Lighting Limited (*subsidiary*)

Place of incorporation	Hong Kong
Date of incorporation	3 December 2008
Public or private	Private
General nature of business	trading of lighting products, provision of Consultancy Services and leasing services
Share capital	HK\$100
Attributable interest to our Company	100%

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## HISTORY AND CORPORATE DEVELOPMENT

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(c) Synergy Cooling Management Limited (*associated company*)

Place of incorporation	BVI
Date of incorporation	1 April 2011
Public or private	Private
General nature of business	intermediate holding company
Authorised share capital	50,000 shares of US\$1.00 par value each
Issued share capital	18,400 share of US\$1.00 par value each
Attributable interest to our Group	27.2%

(d) Synergy Cooling Management (HK) Limited (*associated company*)

Place of incorporation	Hong Kong
Date of incorporation	21 April 2011
Public or private	Private
General nature of business	provision of cooling management solutions
Share capital	HK\$1
Attributable interest to our Company	27.2%

(e) Synergy Cooling ESCO (HK) Limited (*associated company*)

Place of incorporation	Hong Kong
Date of incorporation	11 June 2014
Public or private	Private
General nature of business	provision of energy management systems solutions
Share capital	HK\$1
Attributable interest to our Company	27.2%



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## HISTORY AND CORPORATE DEVELOPMENT

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(f) Synergy Cooling Management (Malaysia) Limited (*associated company*)

Place of incorporation	BVI
Date of incorporation	11 November 2013
Public or private	Private
General nature of business	intermediate holding company
Authorized share capital	Authorized to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each
Issued share capital	100 shares of US\$1.00 par value each
Attributable interest to our Company	27.2%

(g) Synergy ESCO (Malaysia) Sdn. Bhd. (*associated company*)

Place of incorporation	Malaysia
Date of incorporation	17 April 2014
Public or private	Private
General nature of business	operate the cooling management systems solutions in Malaysia
Authorized share capital	RM400,000.00 divided into 400,000 ordinary shares of RM1.00 each
Issued share capital	100 shares of RM1.00 each
Attributable interest to our Company	27.2%