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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 15 April 2015. Our Company’s registered office is at the office of Codan Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. Our Company has established a principal place of business in Hong Kong at Flat A & B, 10/F, North Point Industrial Building, 499 King’s Road, North Point, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 14 May 2015. Mr. Ting has been appointed as the authorised representative of our Company for the acceptance of service of process in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operation is subject to the laws of the Cayman Islands and its constitutive documents comprising the Memorandum and the Articles of Association. A summary of certain provisions of its constitution and relevant aspects of the Companies Law is set out in Appendix III to this [Redacted].

2. Changes in share capital of our Company

The authorised share capital of our Company as at the date of its incorporation was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. The following alterations in the share capital of our Company have taken place since the date of its incorporation:

- (a) on 15 April 2015, the Incorporation Share was allotted and issued, credited as fully paid at par, to the initial subscriber, which was transferred to Royal Spectrum on the same date;
- (b) on [●], our Company entered into a share purchase agreement with Royal Spectrum, Keyword and Timebase to acquire the entire issued share capital of Madison International from Royal Spectrum, Keyword, and Timebase, in consideration of our Company allotting and issuing 819 Shares, 100 Shares, and 80 Shares, all credited as fully paid, by our Company to Royal Spectrum, Keyword, and Timebase, respectively;
- (c) pursuant to the written resolutions of our Shareholders dated [●], our Company increased its authorised share capital from HK\$380,000 to HK\$[Redacted] by the creation of an additional [Redacted] Shares;
- (d) immediately following completion of the [Redacted] and the Capitalisation Issue (not taking into account (i) any Shares which may be allotted and issued by our Company pursuant to the exercise of the [Redacted], (ii) any Shares which may be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme; and (iii) any Shares which may be allotted and issued or bought back by our Company under the Issue Mandate and the Buy-Back Mandate), the authorised share capital of our Company will be HK\$[Redacted] divided into [Redacted] Shares and the issued share capital will be HK\$[Redacted] divided into [Redacted] Shares, all fully paid or credited as fully paid and [Redacted] Shares will remain unissued. Other than the

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allotment and issue of Shares pursuant to the exercise of the [Redacted] or any options which may be granted under the Share Option Scheme, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our Shareholders in its general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as aforesaid and as mentioned in the sections headed “Share Capital” and “History, Reorganisation and Corporate Structure — Reorganisation” in this [Redacted], there has been no other alteration in the share capital of our Company since the date of its incorporation.

3. Written resolutions of our Shareholders dated [●]

Pursuant to the written resolutions of our Shareholders dated [●]:

- (a) our Company approved and adopted the Memorandum and, with effect from [Redacted], the Articles of Association;
- (b) the authorised share capital of our Company was increased from HK\$380,000 to HK\$[Redacted] by the creation of an additional [Redacted] Shares to rank *pari passu* with the existing Shares in all respects;
- (c) conditional on the same conditions as stated in the section headed “Structure and Conditions of the [Redacted] — The [Redacted] — Conditions of the [Redacted]” in this [Redacted]:
 - (i) the [Redacted] was approved and our Directors were authorised to allot and issue the [Redacted] subject to the terms and conditions stated in this [Redacted];
 - (ii) the [Redacted] was approved and our Directors were authorised to effect the same and to allot and issue the Shares upon the exercise of the [Redacted];
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” of this appendix, were approved and adopted and our Directors were authorised to implement the same, grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant thereto and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme including without limitation: (1) administering the Share Option Scheme; (2) modifying and/or amending the Share Option Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Share Option Scheme relating to modifications and/or amendments and the requirements of the GEM Listing Rules; (3) granting options under the Share Option Scheme and issuing and allotting from time to time any Shares pursuant to the exercise of the options that may be granted under the Share Option Scheme with an aggregate nominal value not exceeding 10% of the total nominal value of the share capital of our Company in issue on [Redacted]; and

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- (4) making application at the appropriate time or times to the Stock Exchange for [Redacted] of, and permission to deal in, any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme;
- (iv) conditional on the share premium account of our Company being credited as a result of the [Redacted], an amount of HK\$[Redacted] which will then be standing to the credit of the share premium account of our Company be capitalised and applied to pay up in full at par a total of [Redacted] Shares for allotment and issue to holders of Shares whose names appear on the register of members of our Company at the close of business on [●] (or as they may direct) in proportion (as nearly as possible without involving fractions) to their respective then existing shareholdings in our Company, and our Directors were authorised to give effect to the Capitalisation Issue and such distribution and the Shares to be allotted and issued shall, save for the entitlements to the Capitalisation Issue, rank *pari passu* in all respects with all the then existing Shares;
- (v) a general unconditional mandate was given to our Directors to allot, issue and deal with (otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend on Shares in accordance with the Articles of Association, or pursuant to the exercise of any options which may be granted under the Share Option Scheme or under the [Redacted] or the Capitalisation Issue) unissued Shares with an aggregate nominal amount of not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue and as enlarged immediately following completion of the [Redacted] and the Capitalisation Issue (excluding any issue of Shares pursuant to the exercise of the [Redacted] and any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest;
- (vi) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to buy back Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the [Redacted] and the Capitalisation Issue (excluding any issue of Shares pursuant to the exercise of the [Redacted] and Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest; and

(vii) conditional on the passing of the resolutions referred to in sub-paragraphs (v) and (vi) above, the general unconditional mandate mentioned in sub-paragraph (v) above was extended by the addition of the aggregate nominal value of the share capital of our Company which may be allotted, issued or dealt with by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company bought back by our Company pursuant to the mandate to buy back Shares referred to in sub-paragraph (vi) above.

4. Reorganisation

The companies comprising our Group underwent the Reorganisation, pursuant to which our Company became the holding company of our Group. The Reorganisation involved the following major steps:

- (a) on 15 April 2015, our Company was incorporated in the Cayman Islands with limited liability. At the time of its incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, of which the Incorporation Share was allotted and issued to the initial subscriber, which was transferred to Royal Spectrum on the same date;
- (b) on 20 April 2015, (i) Keyword acquired 1,087 shares in Madison International from Royal Spectrum, and (ii) Timebase subscribed for 870 new shares in Madison International, at the consideration of HK\$[Redacted] and HK\$[Redacted], respectively, with reference to the price-to-earnings ratio of approximately [Redacted] times based on the earnings per share as at 31 March 2015. Upon completion of the [Redacted] Investments, Madison International is owned as to 82% by Royal Spectrum, as to 10% by Keyword, and as to 8% by Timebase;
- (c) on 4 June 2015, Firebird Global transferred 7,730 shares in Royal Spectrum to Devoss Global, in consideration of Devoss Global allotting and issuing one share, credited as fully paid, to Mr. Ting, at the direction of Firebird Global. Upon completion of the share transfer, Royal Spectrum is owned as to 77.3% by Devoss Global, as to 20% by Universal Chinese, and as to 2.7% by Montrachet; and
- (d) on [●], our Company entered into a share purchase agreement with Royal Spectrum, Keyword and Timebase to acquire the entire issued share capital in Madison International, from Royal Spectrum, Keyword and Timebase, in consideration of our Company allotting and issuing 819 Shares, 100 Shares and 80 Shares, all credited as fully paid, representing [Redacted]%, [Redacted]% and [Redacted]% of its issued share capital, to Royal Spectrum, Keyword and Timebase, respectively. Upon completion of such acquisitions, Madison International will become the direct wholly-owned subsidiary of our Company.

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5. Changes in share capital of subsidiaries in our Company

The subsidiaries of our Company are listed in the paragraph headed “Further information about the business of our Group — Further information about the subsidiaries of our Company” in this appendix.

The following alterations in the share capital or the registered capital of the subsidiaries of our Company have taken place within two years preceding the date of this [Redacted]:

- (a) Madison International was incorporated in Seychelles on 21 November 2013 as a limited liability company. The issued share capital was US\$100 divided into 100 shares of US\$1 each, which was fully paid or credited as fully paid;
- (b) Madison International increased its issued share capital on 25 November 2013, to US\$10,000 divided into 10,000 shares of US\$1 each, which was fully paid or credited as fully paid;
- (c) Madison Fine Wine was incorporated in Seychelles on 26 August 2014 as a limited liability company. The issued share capital was US\$1 divided into one share of US\$1, which was fully paid or credited as fully paid;
- (d) Madison Wine Trading was incorporated in Hong Kong on 19 November 2014 as a limited liability company. The issued share capital was HK\$100 divided into 100 shares, which was fully paid or credited as fully paid; and
- (e) Madison International increased its issued share capital on 20 April 2015, to US\$10,870 divided into 10,870 shares of US\$1 each, which was fully paid or credited as fully paid.

Save as disclosed above and in the section headed “History, Reorganisation and Corporate Structure” in this [Redacted], there has been no other alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this [Redacted].

6. Buy-Back by our Company of its own securities

This section includes information relating to the buy-back of the Shares, including information required by the Stock Exchange to be included in this [Redacted] concerning such buy-back.

(a) *Relevant legal and regulatory requirements*

The GEM Listing Rules permit our Shareholders to grant our Directors a general mandate to buy back the Shares that are listed on the Stock Exchange.

(b) *Shareholders’ approval*

All proposed buy-backs of Shares (which must be fully paid up) must be approved in advance by an ordinary resolution of our Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

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The Buy-Back Mandate was granted to our Directors by our Shareholders pursuant to a written resolution dated [●] authorising them to exercise all powers of our Company to buy back Shares with an aggregate nominal amount of not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the [Redacted] and the Capitalisation Issue (excluding Shares which may fall to be issued pursuant to the exercise of the [Redacted] and the exercise of any options which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable law to be held, or the passing of an ordinary resolution by our Shareholders in general meeting revoking or varying the authority given to our Directors, whichever is the earliest.

(c) Source of funds

Buy-Backs must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands. A listed company may not buy back its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the GEM Listing Rules. Under the Cayman Islands law, any buy-backs of Shares by our Company may be made out of profits or share premium of our Company or out of the proceeds of a fresh issue of Shares made for the purpose of the buy-backs or, subject to the provisions of the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be bought back must be provided for out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, subject to the provisions of the Companies Law, out of capital.

(d) Trading restrictions

Our Company may buy back up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following the completion of the [Redacted] and the Capitalisation Issue (excluding Shares which may fall to be issued pursuant to the exercise of the [Redacted] and the exercise of any options which may be granted under the Share Option Scheme). Our Company may not issue or announce a proposed issue of the Shares for a period of 30 days immediately following a buy-back of Shares without the prior approval of the Stock Exchange. Our Company is also prohibited from buying back the Shares on the Stock Exchange if the buy-back would result in the number of listed Shares which are in the hands of the public falling below the minimum percentage required by the Stock Exchange. The broker appointed by our Company to effect a buy-back of the Shares is required to disclose to the Stock Exchange any information with respect to a Share buy-back as the Stock Exchange may require.

(e) Status of bought back Shares

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

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(f) *Suspension of buy-back*

Buy-backs of Shares are prohibited after a price-sensitive development has occurred or has been the subject of a decision until such time as the price-sensitive information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of the results of our Company for any year, half-year or quarter-year period or any other interim period (whether or not reported under the GEM Listing Rules); and (bb) the deadline for our Company to announce its results for any year, half-year or quarter-year period under the GEM Listing Rules or any other interim period (whether or not required under the GEM Listing Rules), our Company may not buy back its securities on GEM unless the circumstances are exceptional. In addition, the Stock Exchange reserves the right to prohibit buy-backs of Shares on the Stock Exchange if our Company has breached the GEM Listing Rules.

(g) *Reporting requirements*

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

(h) *Connected persons*

According to the GEM Listing Rules, a company is prohibited from knowingly buying back securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of such company or any of its subsidiaries or any of their associates and a connected person shall not knowingly sell his/her/its securities to the company on the Stock Exchange.

(i) *Reasons for buy-backs*

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

(j) *Funding of buy-backs*

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

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

(k) *General*

The exercise in full of the Buy-Back Mandate, on the basis of [Redacted] Shares in issue immediately after completion of the [Redacted] and the Capitalisation Issue (not taking into account (i) any Shares which may be allotted and issued by our Company pursuant to the exercise of the [Redacted]; (ii) any Shares which may be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme; and (iii) any Shares which may be allotted and issued or bought back by our Company under the Issue Mandate and the Buy-Back Mandate), would result in up to [Redacted] Shares being bought back by our Company during the period in which the Buy-Back Mandate remains in force.

None of our Directors nor, to the best of their knowledge having made all reasonable inquiries, any of their associates currently intends to sell any Shares to our Company or our subsidiaries.

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

If, as a result of a buy-back of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not presently aware of any consequences which would arise under the Takeovers Code as a consequence of any buy-backs pursuant to the Buy-Back Mandate immediately after [Redacted] of the Shares on the Stock Exchange.

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

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B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts


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

- (a) the sale and purchase agreement dated 25 November 2013 and entered into between Madison International, as purchaser, and Madison Wine Trading Company Limited (currently known as iVega Investment Limited) (“**iVega Investment**”), as vendor, pursuant to which Madison International agreed to purchase the entire issued share capital in Madison Wine (HK) from iVega Investment, in consideration of Madison International allotting and issuing 9,900 shares to Quick Express, all credited as fully paid;
- (b) the subscription agreement dated 20 April 2015 and entered into between Madison International, as issuer, and Timebase, as subscriber, pursuant to which Madison International agreed to issue, and Timebase agreed to subscribe for 870 new shares in Madison International, representing approximately 8% of its issued share capital, at the consideration of HK\$[Redacted] with reference to the price-to-earnings ratio of approximately [Redacted] times based on the earnings per share as at 31 March 2015, and satisfied by cash, and registered in the name of Timebase;
- (c) the share purchase agreement dated [●] and entered into between our Company, as purchaser, and Royal Spectrum, Keyword and Timebase, as vendors, pursuant to which our Company agreed to acquire the entire issued share capital in Madison International, from Royal Spectrum, Keyword and Timebase, in consideration of our Company allotting and issuing 819 Shares, 100 Shares and 80 Shares to Royal Spectrum, Keyword and Timebase, respectively, all credited as fully paid;
- (d) the Deed of Indemnity;
- (e) the Deed of Non-competition; and
- (f) the Underwriting Agreement.

2. Intellectual property rights

(a) *Trademark*

As at the Latest Practicable Date, our Group had applied for registration of the following trademark in Hong Kong, and the application is still in process:

Trademark	Name of applicant	Class	Date of application	Application No.
	Madison (China)	35, 39	11 February 2015	303301848

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(b) *Domain Name*

As at the Latest Practicable Date, our Group had registered the following domain name:

Domain name	Registered owner	Registration date	Expiry date
madison-wine.com	Madison (China)	20 December 2011	19 December 2017

3. **Further information about the subsidiaries of our Company**

(i) *Madison International*

Place of incorporation	:	Seychelles
Date of incorporation	:	21 November 2013
Registered office	:	P.O. Box 1239, Offshore Incorporations Centre, Victoria, Mahé, Republic of Seychelles
Authorised share capital	:	US\$1,000,000 divided into 1,000,000 shares of US\$1 each
Issued share capital	:	US\$10,870 divided into 10,870 shares of US\$1 each
Shareholder	:	our Company (100%)
Director(s)	:	Mr. Ting, Mr. Kao, Mr. Zhu and Mr. Lin Samuel Jr.
General nature of business	:	Investment holding

(ii) *Madison Fine Wine*

Place of incorporation	:	Seychelles
Date of incorporation	:	26 August 2014
Registered office	:	P.O. Box 1239, Offshore Incorporations Centre, Victoria, Mahé, Republic of Seychelles
Authorised share capital	:	US\$1,000,000 divided into 1,000,000 shares of US\$1 each
Issued share capital	:	US\$1 divided into 1 share of US\$1 each
Shareholder	:	Madison International (100%)
Director(s)	:	Mr. Ting, Mr. Zhu and Mr. Lin Samuel Jr.
General nature of business	:	Investment holding

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(iii) *Madison Wine (HK)*

Place of incorporation	:	BVI
Date of incorporation	:	10 January 2013
Registered office	:	P.O. Box 957, Offshore Incorporations Limited, Road Town, Tortola, British Virgin Islands
Authorised share capital	:	50,000 shares of a single class of par value of US\$1 each
Issued share capital	:	US\$200 divided into 200 shares of US\$1 each
Shareholder	:	Madison International (100%)
Director(s)	:	Mr. Ting, Mr. Kao, and Mr. Zhu
General nature of business	:	Investment holding

(iv) *Madison (China)*

Place of incorporation	:	Hong Kong
Date of incorporation	:	14 April 1997
Registered office	:	Flat A & B, 10/F, North Point Industrial Building, 499 King's Road, North Point, Hong Kong
Issued share capital	:	HK\$10,000 divided into 10,000 shares
Shareholder	:	Madison Wine (HK) (100%)
Director(s)	:	Mr. Ting, Mr. Kao, Mr. Zhu and Mr. Lin Samuel Jr.
General nature of business	:	Sale of alcoholic beverages

(v) *Madison Wine Club*

Place of incorporation	:	Hong Kong
Date of incorporation	:	12 January 2012
Registered office	:	Flat A & B, 10/F, North Point Industrial Building, 499 King's Road, North Point, Hong Kong
Issued share capital	:	HK\$1 divided into 1 share
Shareholder	:	Madison (China) (100%)
Director(s)	:	Mr. Ting, Mr. Kao, and Mr. Zhu
General nature of business	:	Sale of alcoholic beverages and wine storage

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(vi) *Madison Wine Trading*

Place of incorporation	:	Hong Kong
Date of incorporation	:	19 November 2014
Registered office	:	Flat A & B, 10/F, North Point Industrial Building, 499 King’s Road, North Point, Hong Kong
Issued share capital	:	HK\$100 divided into 100 shares
Shareholder(s)	:	Madison Fine Wine (80%), and Mr. James Peter Woodhead (20%)
Director(s)	:	Mr. Ting
General nature of business	:	Sale of alcoholic beverages

C. FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT, STAFF AND EXPERTS

1. Interests and short positions of Directors and the chief executives of our Company in the Shares, underlying Shares or debentures of our Company and its associated corporations

Immediately following completion of the [Redacted] and the Capitalisation Issue (not taking into account (i) any Shares which may be allotted and issued by our Company pursuant to the exercise of the [Redacted], (ii) any options which may be granted under the Share Option Scheme and (iii) any Shares which may be allotted and issued or bought back by our Company under the Issue Mandate and the Buy-Back Mandate), the interests and short positions of our Directors or chief executive of our Company in the Shares, underlying Shares or debentures of our Company and its associated corporations (within the meaning of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, will be as follows:

(a) *Long position in our Shares*

Name of Director	Capacity/ Nature of interest	Number of Shares held ^(Note 1)	Approximate percentage of issued share capital
Mr. Ting	Interest in controlled corporation ^(Notes 2 & 3)	[Redacted] ^(L)	[Redacted]%

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Notes:

1. The letter “L” denotes to the long position in the Shares.
2. The entire issued share capital of Royal Spectrum is legally and beneficially owned as to 77.3% by Devoss Global, 20% by Universal Chinese, and 2.7% by Montrachet. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum under Part XV of the SFO.
3. The entire issued share capital of Devoss Global is legally and beneficially owned by Mr. Ting. Mr. Ting is deemed to be interested in the Shares in which Devoss Global is interested in under Part XV of the SFO.

(b) *Long position in the shares of associated corporations*

Name of associated corporation	Name of Director	Capacity/ Nature of interest	Number of Shares held <i>(Note 1)</i>	Approximate percentage of issued share capital
Royal Spectrum ^{<i>(Note 2)</i>}	Mr. Ting	Interest in controlled corporation ^{<i>(Note 3)</i>}	[Redacted] ^(L)	[Redacted]%
Devoss Global	Mr. Ting	Beneficial owner	[Redacted] ^(L)	[Redacted]%

Notes:

1. The letter “L” denotes to the long position in the Shares.
2. The entire issued share capital of Royal Spectrum is legally and beneficially owned as to 77.3% by Devoss Global, 20% by Universal Chinese, and 2.7% by Montrachet. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum under Part XV of the SFO.
3. The entire issued share capital of Devoss Global is legally and beneficially owned by Mr. Ting. Mr. Ting is deemed to be interested in the Shares in which Devoss Global is interested in under Part XV of the SFO.

2. Interests and/or short positions of substantial Shareholders in the Shares, and underlying Shares of our Company and its associated corporations

So far as is known to our Directors, immediately following completion of the [Redacted] and the Capitalisation Issue (not taking into account (i) any Shares which may be allotted and issued by our Company pursuant to the exercise of the [Redacted], (ii) any Shares which may be allotted and issued by our Company pursuant to the exercise of any options which may be granted under the Share Option Scheme and (iii) any Shares which may be allotted and issued or bought back by our Company under the Issue Mandate and the Buy-Back Mandate), the following persons (not being a Director or chief executive of our Company) will have an interest or a short position 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

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XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other members of our Group:

(a) *Long position in our Shares*

Name	Capacity/ Nature of interest	Number of Shares held ^(Note 1)	Approximate percentage of issued share capital
Royal Spectrum	Beneficial owner ^(Note 2)	[Redacted] ^(L)	[Redacted]%
Devoss Global	Interest in controlled corporation ^(Note 3)	[Redacted] ^(L)	[Redacted]%
Ms. Luu Huyen Boi	Interest of spouse ^(Note 4)	[Redacted] ^(L)	[Redacted]%

Notes:

1. The letter “L” denotes to the long position in the Shares.
2. The entire issued share capital of Royal Spectrum is legally and beneficially owned as to 77.3% by Devoss Global, 20% by Universal Chinese, and 2.7% by Montrachet. Devoss Global is deemed to be interested in the Shares held by Royal Spectrum under Part XV of the SFO.
3. The entire issued share capital of Devoss Global is legally and beneficially owned by Mr. Ting. Mr. Ting is deemed to be interested in the Shares in which Devoss Global is interested in under Part XV of the SFO.
4. Ms. Luu Huyen Boi is the spouse of Mr. Ting. Ms. Luu Huyen Boi is deemed to be interested in all the Shares in which Mr. Ting is interested under Part XV of the SFO.

(b) *Person interested in 10% or more of the nominal value of the share capital of other members of our Group*

Name	Name of member of our Group	Number of shares held ^(Note)	Approximate percentage of shareholding
Mr. James Peter Woodhead	Madison Wine Trading	20 ^(L)	20%

Note: The letter “L” denotes to the long position in the shares.

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3. Particulars of service contracts

Each of Mr. Ting, Mr. Kao, and Mr. Zhu, all being our executive Directors, will enter into a service agreement with our Company for an initial term of three years commencing from [Redacted], and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Each of our executive Directors is entitled to their respective basic salary set out below (subject to an annual increment, which will be made one year after the commencement date of the service agreement at the discretion of our Directors, of not more than 10% of the annual salary immediately prior to such increase).

Each of our independent non-executive Directors will enter into a letter of appointment with our Company. The terms and conditions of each of such letters of appointment are similar in all material respects. Each of our independent non-executive Directors is appointed with an initial term of three years commencing from [Redacted] subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

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

Each of the above remunerations is determined by our Company with reference to duties and level of responsibilities of each Director and the remuneration policy of our Company and the prevailing market conditions.

4. Directors' emoluments

- (i) For the two years ended 31 March 2014 and 31 March 2015, the aggregate emoluments paid and benefits in kind granted by our Group to our Directors were approximately HK\$724,000 and HK\$1,167,000, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments payable by our Group to and benefits in kind receivable by our Directors for the year ending 31 March 2016 is expected to be approximately HK\$4,300,000.
- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the two years ended 31 March 2015 (1) as an inducement to join or upon joining our Company or (2) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (iv) Save as disclosed in the sections headed “Directors and Senior Management” and “Financial Information” in this [Redacted], there has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 March 2015.

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- (v) Under the arrangements currently proposed, conditional upon [Redacted], the basic annual emoluments (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

Executive Directors	HK\$
Mr. Ting	1,950,000
Mr. Kao	1,300,000
Mr. Zhu	975,000

Independent non-executive Directors	HK\$
Ms. Debra Elaine Meiburg	120,000
Ms. Fan Wei	120,000
Mr. Chu Kin Wang, Peleus	120,000

- (vi) Each of our executive Directors and independent non-executive Directors is entitled to reimbursement of all necessary and reasonable out-of-pocket expenses properly incurred in relation to all business and affairs carried out by our Group from time to time or in discharge of his/her duties to our Group under his/her service contract.

5. Agency fees or commissions received

Save as disclosed in this [Redacted], within the two years immediately preceding the date of this [Redacted], no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any Share or loan capital of our Company or any of our subsidiaries.

6. Related party transactions

Save as disclosed in note 30 to the Accountants' Report set out in Appendix I to this [Redacted], during the two years immediately preceding the date of this [Redacted], our Group has not engaged in any other material related party transactions.

7. Disclaimers

Save as disclosed in this [Redacted]:

- (i) without taking into account (i) any Shares which may be allotted and issued by our Company pursuant to the exercise of the [Redacted], (ii) any options which may be granted under the Share Option Scheme and (iii) any Shares which may be allotted and issued or bought back by our Company under the Issue Mandate and the Buy-Back Mandate or upon the exercise of any options which may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following the completion of the [Redacted] will have an interest or short position in the Shares and underlying Shares which

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would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of our Company or any other member of our Group;

- (ii) none of our Directors has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the GEM Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, any interests and short positions in the Shares, underlying shares; and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules once the Shares are listed on the Stock Exchange;
- (iii) none of our Directors or the experts named in the paragraph headed “Other information — Qualifications of experts” in this appendix has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this [Redacted], or which are proposed to be acquired or disposed of by or leased to any member of our Group nor will any Director apply for the [Redacted] either in his own name or in the name of a nominee;
- (iv) none of our 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 taken as a whole; and
- (v) none of the experts named in the paragraph headed “Other information — Qualifications of experts” in this appendix has any shareholding in any company in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in our Group.

D. SHARE OPTION SCHEME

1. Summary of the terms of the Share Option Scheme

(i) *Purpose of the Share Option Scheme*

The purpose of the Share Option Scheme is to provide an incentive or a reward to eligible persons for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group or any entity in which our Group holds any equity interest (“**Invested Entity**”).

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(ii) *Who may join*

Subject to the provisions in the Share Option Scheme, the Board shall be entitled at any time and from time to time within the period of 10 years after the date of adoption of the Share Option Scheme to make an offer to any of the following classes of persons (“**Eligible Participant(s)**”):

- (1) any employee (whether full-time or part-time) of our Company, any of our subsidiaries and any Invested Entity;
- (2) any director (including executive, non-executive and independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (3) any supplier of goods or services to any member of our Group or any Invested Entity;
- (4) any customer of our Group or any Invested Entity; and
- (5) any consultant, adviser, manager, officer or entity that provides research, development or other technological support to our Group or any Invested Entity

(iii) *Maximum number of Shares*

- (1) Notwithstanding anything to the contrary herein, the maximum number of Shares which may be issued upon the 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, in aggregate, exceed 30% of the total number of Shares in issue from time to time.
- (2) 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 shall not exceed [Redacted] Shares, being 10% of the total number of Shares (assuming the [Redacted] is not exercised), in issue as at [Redacted] unless our Company obtains the approval of our Shareholders in general meeting for renewing the 10% limit (“**Scheme Mandate Limit**”) under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company will not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (3) Our Company may seek approval of our Shareholders in general meeting to renew the Scheme Mandate Limit such 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 as “renewed” shall not exceed 10% (“**Renewal Limit**”) of the total number of Shares (assuming the [Redacted] is not exercised) in issue as at the date of the approval of our Shareholders on the renewal of the Scheme Mandate Limit, provided that options previously granted under the Share Option Scheme or any other share option schemes of our Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option scheme of our Company or exercised) will not be counted for the purpose of calculating the Renewal Limit.

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For the purpose of seeking the approval of our Shareholders for the Renewal Limit, a circular containing the information and the disclaimer as required under the GEM Listing Rules must be sent to our Shareholders.

- (4) Our Company may seek separate approval of our Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the proposed grantee(s) of such option(s) must be specifically identified by our Company before such approval is sought. For the purpose of seeking the approval of our Shareholders, our Company must send a circular to our Shareholders containing a generic description of the specified proposed grantees of such options, the number and terms of the options to be granted, the purpose of granting such options to the proposed grantees with an explanation as to how the terms of options serve such purpose and the information as required under the GEM Listing Rules.

(iv) Maximum entitlement of each Eligible Participant

No option shall be granted to any Eligible Participant if any further grant of options would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant exceeding 1% of the total number of Shares in issue, unless:

- (1) such further grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 23 of the GEM Listing Rules, by resolution of our Shareholders in general meeting at which the Eligible Participant and his associates shall abstain from voting;
- (2) a circular regarding the further grant has been despatched to our Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules (including the identity of the Eligible Participant, the number and terms of the options to be granted and options previously granted to such eligible person); and
- (3) the number and terms (including the subscription price) of such option are fixed before the general meeting of our Company at which the same are approved.

(v) Grant of options to connected persons

- (1) The grant of options to a Director, chief executive or substantial shareholder of our Company or any of their respective associates (including discretionary trust in which any connected persons are beneficiary) requires the approval of all our independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee of the option) and shall comply with the relevant provisions of Chapter 23 of the GEM Listing Rules.

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- (2) Where an option is to be granted to a substantial shareholder or an independent non-executive Director (or any of their respective associates), and such grant will result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (a) exceeding 0.1% of the total number of Shares in issue at the relevant time of grant; and
 - (b) exceeding an aggregate value (based on the closing price of the Shares on the Stock Exchange on the date of each grant) of HK\$5 million, such grant shall not be valid unless
 - I. a circular containing the details of the grant has been despatched to our Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 23 of the GEM Listing Rules, including, in particular, (i) details of the number and terms (including subscription price) of the options to be granted to each connected person of our Company, which must be fixed before the Shareholders’ meeting and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purposes of calculating the subscription price, and (ii) a recommendation from our independent non-executive Directors (excluding our independent non-executive Director who is the prospective grantee of the option) to our independent Shareholders as to voting; and
 - II. the grant has been approved by our Shareholders in general meeting (taken on a poll) at which all connected persons of our Company shall abstain from voting in favour of the grant.

(vi) Time of acceptance and exercise of an option

An offer of grant of an option may be accepted by an Eligible Participant within the date as specified in the offer letter issued by our Company, being a date not later than 21 Business Days from the date upon which it is made, by which the Eligible Participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than ten (10) years after the date of adoption of the Share Option Scheme.

A consideration of HK\$1 is payable on acceptance of the offer of grant of an option. Such consideration shall in no circumstances be refundable. An option may be exercised in whole or in part by the grantee (or his personal representative(s)) at any time before the expiry of the period to be determined and notified by the Board to the grantee which in any event shall not be longer than ten (10) years commencing on the date of the offer letter and expiring on the last day of such ten (10)-year period subject to the provisions for early termination as contained in the Share Option Scheme.

(vii) Performance targets

There is no performance target that has to be achieved before the exercise of any option.

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(viii) *Subscription price for Shares*

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price determined by the Board in its absolute discretion and notified to an eligible person, and shall be at least the higher of: (1) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Offer Date (as defined below), (2) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five consecutive Business Days immediately preceding the Offer Date, and (3) the nominal value of a Share on the Offer Date.

Where an option is to be granted to an eligible employee, the date of the Board meeting at which the grant was proposed shall be taken to be the date of the offer of such option, which must be a Business Day (“**Offer Date**”). For the purpose of calculating the subscription price, where an option is to be granted fewer than five Business Days after [Redacted] of the Shares on the Stock Exchange, the [Redacted] shall be taken to be the closing price for any Business Day before [Redacted].

(ix) *Ranking of Shares*

The Shares to be issued and allotted upon the exercise of an option shall be subject to the Memorandum and Articles of Association of our Company for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of our Company as at the date of allotment and issue (“**Exercise Date**”), and will entitle the holders to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date.

(x) *Restrictions on the time of grant of options*

No option shall be granted after a price-sensitive development concerning our Company or any subsidiary has occurred or a price-sensitive matter concerning our Company or any subsidiary has been the subject of a decision of our Group until such price-sensitive information has been announced pursuant to the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of:

- (1) the date of the meeting of the Board (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 year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
- (2) the deadline for our Company to publish an announcement of its results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules),

and ending on the date of the results announcement, no option shall be granted.

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(xi) Period of the Share Option Scheme

Subject to any prior termination by our Company in a general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption of the Share Option Scheme (“**Option Period**”), after which period no further option shall be granted but in respect of all Options which remain exercisable at the end of such period, the provisions of the Scheme shall remain in full force and effect.

(xii) Rights on cessation of employment

Where the grantee of an outstanding option ceases to be an employee of our Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (xxi)(e), the option shall lapse on the date of cessation (to the extent not already exercised) and not be exercisable unless our Board otherwise determines to grant an extension (to the extent which has become exercisable and not already exercised) and subject to any other terms and conditions decided at the discretion of the Board. For the avoidance of doubt, such period of extension (if any) shall be granted within and in any event ended before the expiration of the period of one month following the date of his cessation to be an employee of our Group.

(xiii) Rights on death

Where the grantee of an outstanding option dies before exercising the option in full or at all, and none of the events specified in (xxi)(e) which would be a ground for termination of his employment or engagement arises, the option may be exercised in full or in part (to the extent not already exercised) by his personal representative(s) within 12 months following the date of his death or such longer period as the Board may at its absolute discretion determine from the date of death to exercise the option up to the entitlement of such Grantee as at the date of death (to the extent which has become exercisable and not already exercised).

(xiv) Rights on a general offer

In the event of a general or partial offer (whether by way of take-over offer, share buy-back offer or scheme of arrangement or otherwise in like manner) being made to all the holders of Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis and assuming that they will become, by the exercise in full of the options granted to them, Shareholders. If such offer becomes or is declared unconditional, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee’s notice to our Company in exercise of his option within one month after the date on which the offer becomes or is declared unconditional.

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(xv) Rights on winding-up

In the event that a notice is given by our Company to its Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall, on the same date as, or soon after it, despatches such notice to each Shareholder, give notice thereof to all grantees (together with a notice of existence of this provision) and thereupon, each grantee (or his personal representative(s)) shall, subject to the provisions of all applicable laws, be entitled to exercise all or any of his options (to the extent which has become exercisable and not already exercised) at any time not later than two Business Days prior to the proposed general meeting of our Company, by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate exercise price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the grantee credited as fully paid, which Shares shall rank *pari passu* with all other Shares in issue on the date prior to the passing of the resolution to wind-up our Company to participate in the distribution of assets of our Company available in liquidation.

(xvi) Rights on compromise or arrangement between our Company and its creditors

In the event of a compromise or arrangement between our Company and its creditors (or any class of them) or between our Company and our Shareholders (or any class of them) in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to our Shareholders or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his personal representative(s)) may by notice in writing to the Company accompanied by the remittance of the Subscription Price in respect of the relevant Option (such notice to be received by our Company not later than two Business Days before the proposed meeting) exercise any of his options (to the extent which has become exercisable and not already exercised) whether in full or in part, but the exercise of an option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Our Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting referred to above, allot and issue such number of Shares to the grantee which may fall to be issued on such exercise credited as fully paid and register the grantee as holder of such Shares. Upon such compromise or arrangement becoming effective, all options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may require the grantee (or his personal representative(s)) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

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(xvii) Reorganisation of capital structure

In the event of any alteration in the capital structure of our Company whilst any option has been granted and remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction), our Company shall (if applicable) make corresponding alterations (if any), in accordance with the GEM Listing Rules and any applicable guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time (including but not limited to the supplementary guidance issued on 5 September 2005), to:

- (1) the number and/or nominal amount of Shares subject to the options already granted so far as they remain exercisable; and/or
- (2) the subscription price; and/or
- (3) the maximum number of Shares referred to in paragraphs (iii) and (iv) above provided that:
 - (aa) no such alteration shall be made in respect of an issue of Shares or other securities by our Company as consideration in a transaction;
 - (bb) any such alterations must be made so that each grantee is given the same proportion of the equity capital of our Company as that to which he was previously entitled;
 - (cc) no such alterations shall be made which would result in the subscription price for a Share being less than its nominal value; and
 - (dd) any such alterations, save those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors in writing to our Directors, to be in their opinion fair and reasonable, as satisfying the requirements of provisos paragraphs (bb) and (cc) above.

(xviii) Cancellation of options

The Board may, with the consent of the relevant grantee, at any time at its absolute discretion cancel any option granted but not exercised. Where our Company cancels options and offers new options to the same option holder, the offer of such new options may only be made under this Share Option Scheme with available options (to the extent not yet granted and excluding the cancelled options) within the Scheme Mandate Limit approved by our Shareholders.

(xix) Termination of Share Option Scheme

Our Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect. Options granted prior to such termination and not then exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme and the GEM Listing Rules.

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(xx) Rights are personal to grantee

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any option or enter into any agreement to do so. Any breach of the foregoing by the grantee shall entitle our Company to cancel any option or part thereof granted to such grantee (to the extent not already exercised) without incurring any liability on the part of our Company.

(xxi) Lapse of option

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

- (a) the expiry of the Option Period (subject to the provision referred to in sub-paragraph (xix));
- (b) the expiry of the periods referred to in sub-paragraphs (xii) or (xiii);
- (c) the date on which the offer referred to in sub-paragraph (xiv) closes;
- (d) subject to the court of competent jurisdiction not making an order prohibiting the offeror from acquiring the remaining Shares in the offer, the expiry of the period referred to in sub-paragraph (xiv);
- (e) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (xvi);
- (f) the date on which the grantee ceases to be an Eligible Participant by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an eligible person, on which he begins to appear to be unable to pay or has no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- (g) the date of the commencement of the winding-up of our Company;
- (h) the date on which the grantee sells, transfers, charges, mortgages, encumbers or creates any interest (whether legal or beneficial) in favour of any third party over or in relation to any option or purports to do any of the foregoing in breach of the Share Option Scheme; and
- (i) the date on which our Directors shall at their absolute discretion determine that the grantee (other than an eligible employee) or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and our Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy

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or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his or her creditors generally. In such event, his options will lapse automatically and will not in any event be exercisable on or after the date on which our Directors have so determined.

(xxii) Alterations to the Share Option Scheme

- (1) The Share Option Scheme may be amended or altered in any respect to the extent allowed by the GEM Listing Rules by resolution of the Board except that the following alterations must be approved by a resolution of our Shareholders in general meeting:
 - (aa) any changes to the definitions of eligible person, grantee and option period;
 - (bb) any changes to the terms and conditions of the Share Option Scheme to the advantage of the grantees of the options;
 - (cc) any alteration to the terms and conditions of the Share Option Scheme which are of a material nature;
 - (dd) any change to the terms of options granted; and
 - (ee) any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme except where such alterations take effect automatically under the existing terms of the Share Option Scheme, provided that: (aa) the amended terms of the Share Option Scheme or the options must comply with Chapter 23 of the GEM Listing Rules; and (bb) no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such number of grantees as shall together hold options in respect of not less than three-fourths in nominal value of all Shares then subject to the option granted under the Share Option Scheme.
- (2) Notwithstanding the other provisions of the Share Option Scheme, the Share Option Scheme may be amended or altered in any respect by resolution of the Board without the approval of our Shareholders or the grantee(s) to the extent such amendment or alteration is required by the GEM Listing Rules or any guidelines issued by the Stock Exchange from time to time.
- (3) Our Company must provide to all grantees all details relating to changes in the terms of the Share Option Scheme during the life of the Share Option Scheme immediately upon such changes taking effect.

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(xxiii) *Conditions*

The Share Option Scheme is conditional on:

- (aa) [Redacted] Committee of the Stock Exchange granting approval of [Redacted] of, and permission to deal in, the Shares in issue, the Shares to be issued pursuant to the Capitalisation Issue, the [Redacted] and any Shares which may fall to be issued pursuant to the exercise of the [Redacted] and any options under the Share Option Scheme;
- (bb) the obligations of the Underwriters under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise; and
- (cc) the commencement of dealings in the Shares on the Stock Exchange.

2. Present status of the Share Option Scheme

(i) *Approval and adoption of the rules of the Share Option Scheme*

The rules of the Share Option Scheme were approved and adopted by our Shareholder on [●].

(ii) *Approval of the Stock Exchange required*

The Share Option Scheme is conditional, among other matters, on the Stock Exchange granting [Redacted] of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of the options under the Share Option Scheme up to the 10% of the Shares in issue as at [Redacted].

(iii) *Application for [Redacted]*

Application has been made to the Stock Exchange for [Redacted] of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme. 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 shall not exceed [Redacted] Shares, being 10% of the total number of Shares in issue (assuming the [Redacted] is not exercised) as at [Redacted] unless our Company obtains the approval of our Shareholders in general meeting for renewing the said 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company will not be counted for the purpose of calculating the 10% limit above-mentioned.

(iv) *Grant of option*

As at the Latest Practicable Date, no options have been granted or agreed to be granted under the Share Option Scheme.

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(v) *Value of options*

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

E. OTHER INFORMATION**1. Tax and other indemnities**

The Controlling Shareholders entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) (being the material contract (b) referred to in the paragraph headed “Further information about the business of our Group — Summary of material contracts” in this appendix) to provide indemnities in respect of, among other matters, any liability which might be incurred by any member of our Group as a direct or indirect result of or in consequence of (i) any claim relating to the amount of any and all taxation falling on any member of our Group resulting from or by reference to any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring or deemed to occur up to the date on which the [Redacted] becomes unconditional; and (ii) our Group’s non-compliance of certain statutory requirements of Hong Kong, details of which are set out in the section headed “Business — Historical non-compliance incidents” in this [Redacted].

Our Directors have been advised that no material liability for estate duty would be likely to fall upon any member of our Group.

2. Litigation

As at the Latest Practicable Date, neither our Company nor any of our subsidiaries was engaged in any litigation or arbitration of material importance, and no litigation or claim of material importance was known to the Directors to be pending or threatened against our Company or any of our subsidiaries.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Stock Exchange for [Redacted] of, and permission to deal in, the Shares in issue and to be issued as mentioned in this [Redacted] and any Shares which may fall to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme on the Stock Exchange.

The Sole Sponsor satisfies the independence criteria applicable to sponsors under Rule 6A.07 of the GEM Listing Rules. The Sole Sponsor is entitled to the sponsor’s fee in the amount of HK\$4,000,000.

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4. Preliminary expenses

The preliminary expenses of our Company in relation to the [Redacted] are approximately HK\$[Redacted] and are payable by our Company.

5. Promoter

- (a) Our Company has no promoter for the purpose of the GEM Listing Rules.
- (b) Save as disclosed herein, within the two years immediately preceding the date of this [Redacted], no amount or benefit has been paid or given to the promoter above in connection with the [Redacted] or the related transactions described in this [Redacted].

6. Qualifications of experts

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

Name	Qualifications
Innovax Capital Limited	licensed corporation holding a licence to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
SHINEWING (HK) CPA Limited	Certified Public Accountants
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Michael Li & Co.	Legal advisers as to Hong Kong law
IPSOS Hong Kong Limited	Independent industry consultant
SHINEWING Risk Services Limited	Internal control adviser

7. Consents of experts

Each of the experts named in the paragraph headed “Other information — Qualifications of experts” in this appendix above has given and has not withdrawn its respective written consent to the issue of this [Redacted] with copies of its reports and/or letters and/or valuation certificate and/or the references to its name included herein in the form and context in which they are respectively included.

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None of the experts named in the paragraph headed “Other information — Qualifications of experts” in this appendix above has any shareholding interests in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

8. Binding effect

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

9. Share registrar

Our Company’s principal register of members will be maintained in the Cayman Islands by our Cayman Islands share registrar, [Redacted], and a register of members will be maintained in Hong Kong by our Hong Kong Branch Share Registrar, [Redacted]. Unless our Directors otherwise agree, all transfers and other documents of title of the Shares must be lodged for registration with and registered by our share registrar in Hong Kong and may not be lodged in the Cayman Islands

10. Bilingual [Redacted]

The English language and Chinese language versions of this [Redacted] are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.

11. Miscellaneous

Save as disclosed in this [Redacted]:

- (a) within the two years immediately preceding the date of this [Redacted]:
 - (i) no share or loan capital of our Company or of any of our subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash; and
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
- (b) no share, warrant or loan capital of Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

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- (c) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any [Redacted] or permission to deal being or proposed to be sought;
- (d) all necessary arrangements have been made enabling the Shares to be admitted into CCASS;
- (e) our Company has no outstanding convertible debt securities;
- (f) neither our Company nor any of our subsidiaries has issued or agreed to issue any founder shares or management shares or deferred shares or any debentures;
- (g) our Directors confirm that none of them shall be required to hold any shares by way of qualification and none of them has any interest in the promotion of our Company;
- (h) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 March 2015 (being the date to which the latest audited combined financial statements of our Group were made up);
- (i) there has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 24 months immediately preceding the date of this [Redacted]; and
- (j) none of the experts listed in the paragraph headed “Other information — Qualifications of experts” in this appendix:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any shares in any member of our Group.