

A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 28 May 2015. Our Company's registered office is at PO Box 309, Uglan House, Grand Cayman, KY1-1104, Cayman Islands. Our Company has established a principal place of business in Hong Kong at 2/F., Centre 600, 82 King Lam Street, Lai Chi Kok, Kowloon, Hong Kong and was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance on 3 July 2015 with Mr. Lam, our executive Director, appointed as the Hong Kong authorised representative of our Company on 15 June 2015 for acceptance on behalf of our Company of service of process and any notices required to be served on our Company in Hong Kong.

As our Company is incorporated in the Cayman Islands, it is subject to the Cayman Companies Law and its constitution documents, which comprises the Memorandum and the Articles. A summary of certain provisions of the Memorandum, the Articles and certain aspects of the Cayman Islands company law are set out in Appendix III of this document.

2. Changes in share capital of our Company

As at the date of incorporation of our Company, the authorised share capital of our Company was HK\$380,000 divided into 38,000,000 shares of par value HK\$0.01 each. The following sets out the changes in the authorised and issued share capital of our Company since its date of incorporation up to the date of this document:

- (i) on 28 May 2015, one Share of par value HK\$0.01 each was allotted and issued credited as fully paid at par to Mapcal Limited as the initial subscriber. On the same day, the said one Share was transferred to Cheers Mate;
- (ii) on [●], Mr. Lam transferred all his Shares in Techoy Construction to Techoy Holding in consideration of and exchange for (i) the allotment and issue of 99 shares in Techoy Holding credited as fully paid to the Company; (ii) the allotment and issue of 99 Shares credited as fully paid to Cheers Mate; and (iii) the allotment and issue of 99 shares in Cheers Mate credited as fully paid to Mr. Lam;
- (iii) on [●] 2015, the authorised share capital of our Company changed from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 per share to HK\$[10,000,000] divided into [1,000,000,000] Shares of HK\$0.01 per share by the creation of an additional [962,000,000] Shares of HK\$0.01 per share.

Immediately following completion of the [REDACTED] and the [REDACTED], the issued share capital of our Company will be HK\$[REDACTED] divided into [REDACTED] Shares of par value HK\$0.01 fully paid or credited as fully paid. Our Company will be owned as to [75]% by Cheers Mate upon completion of the [REDACTED] and the [REDACTED].

Other than the exercise of the general mandate to issue Shares referred to in the section headed “Statutory and General Information — A. Further information about our Company and our Subsidiaries — 3. Written resolutions of our then sole Shareholder passed on [●] 2015” in this document, our Directors have no present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this Appendix and the section headed “History and Development — Reorganisation” in this document, there has been no alteration in the authorised and issued share capital of our Company since its incorporation and up to the date of this document.

3. Written resolutions of our then sole Shareholder passed on [●]

Pursuant to the written resolutions of the then sole Shareholder of our Company passed on [●] 2015, the following resolutions were passed by the sole Shareholder, pursuant to which, among other things:

- (a) the authorised share capital of our Company was changed from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 per Share to HK\$[10,000,000] divided into [1,000,000,000] Shares of HK\$0.01 per Share by the creation of an additional [962,000,000] Shares of HK\$0.01 per Share;
- (b) conditional upon [REDACTED], the Memorandum and Articles were approved and adopted;
- (c) conditional upon the fulfilment or waiver of the conditions set out in the section headed “Structure and conditions of the [REDACTED]” in this document;
 - (i) the [REDACTED] was approved and our Directors were authorised to (aa) implement the [REDACTED]; and (bb) take any or all actions and execute all documents in connection with or incidental to the [REDACTED] with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;
 - (ii) the [REDACTED] was approved and our Directors were authorised to allot and issue the [REDACTED] Shares pursuant to the [REDACTED] to rank *pari passu* with the Shares then in issue in all respects; and
 - (iii) the rules of the Share Option Scheme were approved and adopted and the Directors were authorised to implement the same, grant options to subscribe for Shares thereunder and to allot, issue and deal with Shares pursuant thereto;
- (d) conditional upon the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the issue of the new Shares under the [REDACTED], our Directors were authorised to capitalise HK\$3,149,999

standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par [REDACTED] Shares for allotment and issue to Shareholder(s) whose name(s) appear(s) on the register of members of our Company at the close of business on [●] in proportion (as nearly as possible without involving fractions) to their then existing shareholdings in our Company;

- (e) a general unconditional mandate (the “**Issuing Mandate**”) was given to our Directors to exercise all powers of our Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than pursuant to, or in consequence of a rights issue or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or other similar arrangement or pursuant to a specific authority granted by the Shareholders in general meeting, Shares with a total nominal value not exceeding (aa) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the [REDACTED] and the [REDACTED] but without taking into account the exercise of the [REDACTED] and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme; and (bb) the aggregate nominal value of the share capital of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph 3(e)(iv) below, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or the passing of an ordinary resolution by our Shareholders at a general meeting revoking, varying or renewing such mandate, whichever occurs first;
- (f) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase on the [REDACTED] or on any other approved [REDACTED] on which the securities of our Company may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose, with an aggregate nominal value not exceeding [REDACTED] of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] but without taking into account the exercise of the [REDACTED] and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme, such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws to be held, or the passing of an ordinary resolution by our Shareholders at a general meeting revoking, varying or renewing such mandate, whichever occurs first; and

- (g) subject to the availability of authorised but unissued share capital and conditional upon paragraphs (iii) and (iv) above, the aggregate nominal value of Shares which are purchased or repurchased by our Company pursuant to and in accordance with paragraph (iv) above shall be added to the aggregate nominal value of the share capital of our Company that may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to and in accordance with paragraph (iii) above provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the [REDACTED] but without taking into account the exercise of the [REDACTED] and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme.

4. Corporate Reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the [REDACTED]. For information relating to the Reorganisation, please refer to the section headed “History and Development — Reorganisation” in this document for more details.

5. Changes in share capital of our principal subsidiaries

Subsidiaries of our Company are listed in the Accountant’s Report set out in Appendix I to this document.

Save as disclosed in the section headed “History and Development” in this document, there has been no alteration in the share capital of any of the subsidiaries of our Company within the two years immediately preceding the date of this document.

6. Repurchase of our Shares by our Company of its own securities

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

(a) *Provision of the GEM Listing Rules*

Subject to certain restrictions, the GEM Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their own securities on the Stock Exchange, the most important of which are summarised below.

(i) *Shareholders’ approval*

The GEM Listing Rules provide that all proposed repurchases of securities by a company with its primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders in general

meeting, either by way of a specific approval of a specific transaction, or by way of a general mandate.

A share repurchase mandate (the “**Share Repurchase Mandate**”) was granted to our Directors by our Shareholder pursuant to a written resolution of the then sole Shareholder of our Company dated [●] 2015 authorising them to exercise all powers of our Company to purchase 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 completion of the [REDACTED] and [REDACTED] until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or any 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.

(ii) *Source of funds*

Any repurchases of securities of the Company must be financed out of funds legally available for the purpose in accordance with the GEM Listing Rules, the Articles and the applicable laws and regulations. A [REDACTED] company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

1. Reasons for repurchases

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

2. Funding of repurchase

Under the Cayman Companies Law, any repurchases by our Company may be made either (1) out of profits of our Company; (2) out of the share premium account of our Company; (3) out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase; or (4) out of capital, if so authorised by the Articles and subject to the provisions of the Cayman Companies Laws. In the case of any premium payable over the par value of the Shares to be repurchased on the repurchase, such premium must be

provided out of either or both of the profits of our Company or the share premium account of our Company, or out of capital, if so authorised by the Articles and subject to the provisions of the Cayman Companies Laws.

Our Directors do not propose to exercise the Share Repurchase Mandate to such an extent that would have a material adverse effect on the working capital position of our Company or the gearing levels which, in the opinion of our Directors, are appropriate for our Company from time to time.

(iii) *Trading restrictions*

Our Company may repurchase up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the [REDACTED] and [REDACTED]. Our Company may not issue or announce a proposed issue of Shares for a period of 30 days immediately following a repurchase of Shares, without the prior approval of the Stock Exchange. Our Company is also prohibited from repurchasing Shares on the Stock Exchange if the repurchase would result in the number of Shares which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. Our Company is required to procure that the broker appointed by it to effect a repurchase of Shares discloses to the Stock Exchange such information with respect to the repurchases as the Stock Exchange may request. Our Company also shall not purchase our Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which the Shares were traded on the Stock Exchange.

(iv) *Status of repurchased shares*

All repurchased Shares (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those Shares will be cancelled and destroyed. Under the Cayman Companies Law, our Company's repurchased Shares shall be treated as cancelled on repurchase and the amount of our Company's issued share capital shall be diminished by the aggregate nominal value of the repurchased Shares (although the authorised share capital of our Company will not be reduced as a result of the repurchase).

(v) *Suspension of repurchases*

Pursuant to the GEM Listing Rules, our Company may not make any repurchases of Shares after inside information has come to its knowledge until the information has been made publicly available. In particular, under the requirements of the GEM Listing Rules in force as of the date hereof, during the period of one month immediately preceding the earlier of: (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the GEM Listing Rules) for the approval of our Company's results for any year, half year,

quarter-year period or any other interim period (whether or not required by the GEM Listing Rules); and (ii) the deadline for our Company to publish an announcement of its results for any year, or 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), and in each case ending on the date of the results announcement, our Company may not repurchase Shares on the Stock Exchange unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit a repurchase of the Shares on the Stock Exchange if our Company has breached the GEM Listing Rules.

(vi) *Procedural and reporting requirements*

As required by the GEM Listing Rules, repurchases of Shares on the Stock Exchange 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 Stock Exchange business day following any day on which our Company may make a purchase of Shares, reporting the total number of Shares purchased the previous day, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant. In addition, our Company’s annual report is required to disclose details regarding repurchases of Shares made during the year, including the number of Shares repurchased each month, the purchase price per Share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate price paid. The directors’ report shall contain reference to the purchases made during the year and the directors reasons for making such purchases.

(vii) *Core connected persons*

The GEM Listing Rules prohibit our Company from knowingly repurchasing the Shares on the Stock Exchange from a “core connected person” which includes a Director, chief executive or substantial Shareholder of our Company or any of the subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) *Reasons for repurchases*

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

(c) *Funding of repurchases*

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

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

(d) *General*

The exercise in full of the repurchase mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any shares which may be issued pursuant to the exercise of any options which may be granted under the Shares Option Scheme), could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period prior to:

- (i) the conclusion of our next annual general meeting of our Company; or
- (ii) the end of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting, whichever is the earliest.

None of our Directors, to the best of their knowledge and having made all reasonable enquiries, nor any of their close associates (as defined in the GEM Listing Rules), have any present intention, if the Share Repurchase Mandate is exercised, 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 Share Repurchase Mandate in accordance with the GEM Listing Rules, the Articles and the applicable laws and regulations.

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition of voting rights for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in

accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any other consequences which would arise under the Takeovers Code as a consequence of any repurchases of Shares pursuant to the Share Repurchase Mandate.

Our Company is prohibited from knowingly purchasing securities on the Stock Exchange from a core connected person (as defined in the GEM Listing Rules) and such person is prohibited from knowingly selling his/her securities to our Company.

No core connected persons (as defined in the GEM Listing Rules) of our Company have notified us of intention to sell securities to our Company and such persons have undertaken not to sell any such securities to our Company, if the Share Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts of our Group

The contracts below (not being contracts entered into in the ordinary course of business) have been entered into by our Company or our subsidiaries within the two years preceding the date of this document and are, or may be, material to the business of our Group as below:

- (a) an instrument of transfer dated 2 July 2013 entered into between Techoy Construction Company Limited and Mr. Chan Chor Yin for the transfer of 400 shares in Techoy Engineering Company Limited from Techoy Construction Company Limited to Mr. Chan Chor Yin in consideration of HK\$400;
- (b) bought and sold notes executed by Techoy Construction Company Limited and Mr. Chan Chor Yin for the transfer of 400 shares in Techoy Engineering Company Limited from Techoy Construction Company Limited to Mr. Chan Chor Yin in consideration of HK\$400;
- (c) an instrument of transfer dated 2 July 2013 entered into between Techoy Construction Company Limited and Mr. Wong Kwok Leung for the transfer of 400 shares in Techoy Engineering Company Limited from Techoy Construction Company Limited to Mr. Wong Kowk Leung in consideration of HK\$400;
- (d) bought and sold notes executed by Techoy Construction Company Limited and Mr. Wong Kwok Leung for the transfer of 400 shares in Techoy Engineering Company Limited from Techoy Construction to Mr. Wong Kwok Leung in consideration of HK\$400;
- (e) a share swap agreement dated [●] 2015 entered into between Mr. Lam Kin Wing Eddie and Techoy Holding Limited pursuant to which Mr. Lam agreed to transfer all his shares in Techoy Construction Company Limited to Techoy Holding Limited in consideration of and exchange for (i) the allotment and issue of a total of 99 shares in Techoy Holding Limited, credited as fully paid to the Company; (ii) the

allotment and issue of 99 shares, credited as fully paid at par to Cheers Mate Holding Limited; and (iii) the allotment and issue of 99 shares in Cheers Mate Holding Limited, credited as fully paid to Mr. Lam Kin Wing Eddie;

- (f) a deed of non-competition undertakings dated [●] 2015, executed by Cheers Mate Holdings Limited and Mr. Lam Kin Wing Eddie in favour of our Company (for itself and as trustee for each of its subsidiaries), pursuant to which each of Cheers Mate Holdings Limited and Mr. Lam Kin Wing Eddie had given certain non-competition undertakings;
- (g) a deed of indemnity dated [●] 2015, executed by Cheers Mate Holding Limited in favour of our Company (for itself and as trustee for each of its subsidiaries) containing indemnities in respect of certain tax liabilities and claims which may arise; and
- (h) [REDACTED].

2. Summary of intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable date, our Group had applied for the registration of the following trademarks which, in the opinion of our Directors, are material to our business:

<u>Trade mark</u>	<u>Name of Applicant</u>	<u>Application number</u>	<u>Place of application</u>	<u>Class</u>	<u>Date of application</u>
	Techoy Construction Company Limited	303434175	Hong Kong	16, 35, 37	8 June 2015
	Thelloy Development Group Limited	303445678	Hong Kong	16, 35, 37	17 June 2015

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

(b) Domain names

As at the Latest Practicable Date, our Group has registered the following domain names which, in the opinion of our Directors, are material to our business:

<u>Domain name</u>	<u>Registrant</u>	<u>Term/Expiry Date</u>
thelloy.com	Techoy Construction	7 February 2017
techoy.com.hk	Techoy Construction	1 September 2015

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**1. Particulars of Directors' service contracts and letters of appointment**

Each of our executive Directors Mr. Lam and Mr. Shut Yu Hang has on [●] respectively entered into a service agreement with our Company regarding their appointment as executive Directors for an initial term of three years commencing from the Listing Date unless terminated by not less than three months prior written notice or otherwise in accordance with the service agreement.

According to the terms of the service contracts entered into between our Company and the executive Directors, the annual remuneration (excluding discretionary and performance bonuses) of each of our executive Director is as follows:

<u>Name</u>	<u>Salaries and allowances</u>	<u>Retirement scheme contributions</u>
	(HK\$)	(HK\$)
Mr. Lam Kin Wing Eddie	[●]	[●]
Mr. Shut Yu Hang	[●]	[●]

The basic monthly salary payable by the Company to the relevant executive Director is subject to annual review by our Board and the remuneration committee of our Company provided that any increment in the basic monthly salary shall not exceed 15% of the monthly salary for the preceding year.

Each of the executive Directors will be entitled to a discretionary bonus and a performance bonus as may be determined by the remuneration committee of our Company from time to time by reference to the financial performance of our Company as well as the individual performance of the relevant executive Directors.

Each of our independent non-executive Directors has signed a letter of appointment dated [●] 2015 with our Company for an initial term of three years.

The annual director's fees payable by our Company to each of our Directors are an aggregate amount of approximately HK\$[●] respectively according to the letters of appointment.

Save as disclosed above, none of our Directors has entered or is proposed to enter into a service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

2. Directors' remuneration

Our Company's policies concerning remuneration of executive Directors are (i) the amount of remuneration is determined on the basis of the relevant Directors' experience, responsibility, workload and the time devoted to our Company; and (ii) non-cash benefits may be provided to the Directors under their remuneration package.

For the years ended 31 March 2014 and 2015, the total remuneration (including salaries and allowances, discretionary bonus and contributions to pension scheme) paid to our Directors by our Group was approximately HK\$2.9 million and approximately HK\$3.2 million respectively.

For the years ended 31 March 2014 and 2015, the total remuneration (including salaries and bonus, allowances, and pension scheme contributions) paid to our Group's five highest paid individuals, excluding our Directors, was approximately HK\$2.4 million and HK\$2.7 million respectively.

During the Track Record Period, no remuneration was paid by us to, or receivable by, our Directors or the five highest paid individuals as an inducement to join or upon joining our Company. No compensation was paid by us to, or receivable by, our Directors or former Directors or the five highest paid individuals for each of the years during the Track Record Period for the loss of any office in connection with the management of the affairs of any subsidiary of our Company.

There was no arrangement under which a director waived or agreed to waive any emoluments for the Track Record Period.

Save as disclosed above, no other payments has been made or are payable in respect of the Track Record Period by any member of our Group to any of our Directors.

Pursuant to the current arrangements in force, it is anticipated that, for the year ending 31 March 2016, an aggregate amount of approximately HK\$[3.5] million will be payable to our Directors as remuneration and benefits in kind (excluding any commission or discretionary bonus) by our Group.

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

3. Disclosure of interests of our Directors in dealings with our Group

Save the service contracts and letters of appointment entered between our Directors and our Company, none of our Directors or their close associates engaged in any dealing with our Group during the Track Record Period.

4. Disclosure of interests and short positions of our Directors and our chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations

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

<u>Name</u>	<u>Nature of Interest</u>	<u>Number of Shares held</u>	<u>Approximate percentage of shareholding</u>
Mr. Lam	Interest of a controlled corporation ^(Note 1)	[REDACTED]	[REDACTED]

Note:

1. Mr. Lam beneficially owns 100% of the issued share capital of Cheers Mate. By virtue of the SFO, Mr. Lam is deemed to be interested in [REDACTED] Shares held by Cheers Mate.

5. Disclosure of interests under the SFO and disclosure of interests for substantial Shareholders

So far as our Directors are aware, immediately following completion of the [REDACTED] and the [REDACTED] (but without taking into account the exercise of the [REDACTED] and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), the following persons will have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

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

<u>Name</u>	<u>Nature of Interest</u>	<u>Number of Shares held (L)</u>	<u>Approximate percentage of shareholding</u>
Cheers Mate	Beneficial owner	[REDACTED]	[REDACTED]
Mr. Lam ^(Note 1)	Interest of a controlled corporation	[REDACTED]	[REDACTED]
Ms. Cheng, Pui Wah Theresa ^(Note 2)	Interest of spouse	[REDACTED]	[REDACTED]

Notes:

- (1) Mr. Lam beneficially owns 100% of the issued share capital of Cheers Mate. By virtue of the SFO, Mr. Lam is deemed to be interested in [REDACTED] Shares held by Cheers Mate.
- (2) Ms. Cheng, Pui Wah Theresa is the spouse of Mr. Lam. By write of the SFO, Ms. Cheng is deemed to be interested in the same number of Shares in which Mr. Lam is deemed to be interested under the SFO.

Save as disclosed herein, our Directors are not aware of any person who will, immediately following completion of the [REDACTED] and the [REDACTED] (but without taking into account the exercise of the [REDACTED] and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), have an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or be directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

6. Disclaimers

Save as disclosed in this Appendix and the section head “Connected transactions” in this document:

- (a) our Directors are not aware of any person (other than our Directors or the chief executive of our Company) who will, immediately following completion of the [REDACTED] (but without taking into account the exercise of the [REDACTED] and any Shares which may be issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), have an interest and/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 XV of the SFO (including interests and/or short positions which they are deemed to have under

such provisions of the SFO) or who will, either directly or indirectly, be expected to be interested in 10% or more of 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;

- (b) none of our Directors or the chief executives of our Company had any interest or short position in any of the Shares, underlying Shares or debentures of our Company or any of its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are 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 be notified to us and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, in each case once the Shares are listed;
- (c) none of our Directors nor any of the persons whose names are listed in the section headed “E. Other information — 9. Qualifications of experts” in this Appendix IV was directly or indirectly interested in the promotion of our Company, or has any direct or indirect interest in any assets which have been acquired or disposed of by or leased to our Company or any of its subsidiaries, within the two years immediately preceding the date of this document, or were proposed to be acquired or disposed of by or leased to our Company or any of its subsidiaries nor will any Director apply for [REDACTED] Shares either in his own name or in the name of a nominee;
- (d) none of the persons whose names are listed in the section headed “E. Other information — 9. Qualifications of experts” of this Appendix IV is materially interested in any contract or arrangement subsisting at the date of this document which was significant in relation to the business of our Group;
- (e) none of our Directors nor any of the persons whose names are listed in the section headed “E. Other information — 9. Qualifications of experts” in this Appendix IV has received any agency fee, commissions, discounts, brokerage or other special terms from our Group within the two years immediately preceding the date of this document in connection with the issue or sale of any capital of any member of our Group;
- (f) save as disclosed in this document, none of our Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken; and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (g) none of the parties listed in the section headed “E. Other information — 9. Qualifications of experts” of this Appendix IV:
 - (i) are interested legally or beneficially in any securities of any member of our Group; and
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of our Group.

D. SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on [●]. The following is a summary of the principal terms of the Share Option Scheme but does not form part of, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

1. Definition

For the purpose of this paragraph D, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	[●], the date on which the Share Option Scheme is conditionally adopted by the Shareholders by way of written resolution
“Board”	the board of Directors or a duly authorised committee of the board of Directors
“Group”	the Company and any entity in which the Company, directly or indirectly, holds any equity interest
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof

2. Summary of terms

The following is a summary of the principal terms of the rules of the Share Option Scheme:

(1) *Purpose of the Share Option Scheme*

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants or advisers of our Group and to promote the success of our Group.

(2) *Who may join and basis of eligibility*

The Board may, at its absolute discretion and on such terms as it may think fit, grant an employee (full-time or part-time), a director, consultant and adviser of our Group, or any substantial shareholder of our Group, options to subscribe at a price calculated in accordance with paragraph (3) below for such number of Shares as it may determine in accordance with the terms of the Share Option Scheme.

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

(3) *Price of Shares*

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of grant of the option; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the 5 business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option.

(4) *Grant of options and acceptance of offers*

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK\$1.00.

(5) *Maximum number of Shares*

(aa) Subject to sub-paragraph (bb) and (cc) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company as from the commencement of the Scheme Period (excluding, for this purpose, Shares

issuable upon exercise of options which have been granted but which have lapsed in accordance with the Share Option Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of the Shares in issue upon completion of the [REDACTED] and the [REDACTED]. Therefore, it is expected that our Company may grant options in respect of up to [REDACTED] Shares to the participants under the Share Option Scheme.

- (bb) The 10% limit as mentioned above may be refreshed at any time by obtaining approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company) will not be counted for the purpose of calculating the refreshed 10% limit. A circular must be sent to our Shareholders containing the information as required under the GEM Listing Rules in this regard.
- (cc) Our Company may seek separate approval of our Shareholders in general meeting for granting options beyond the 10% limit provided the options in excess of the 10% limit are granted only to grantees specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a generic description of such grantees, the number and terms of such options to be granted and the purpose of granting options to them with an explanation as to how the terms of the options will serve such purpose, and such other information required under the GEM Listing Rules.
- (dd) The aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Company, if this will result in such 30% limit being exceeded.

(6) *Maximum entitlement of each Eligible Person*

The total number of Shares issued and to be issued upon exercise of options granted to any grantee (including both exercised and outstanding options) under the Share Option Scheme, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his associates abstaining from voting. In such event, our Company must send a circular to our

Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the GEM Listing Rules. The number and terms (including the subscription price) of the options to be granted must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(7) *Grant of options to certain connected person*

- (aa) Any grant of an option to a Director, chief executive or substantial shareholder of our Company (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the option).
- (bb) Where any grant of options to a substantial shareholder of our Company or an independent non-executive Director (or any of their respective associates) will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted to such person under the Share Option Scheme and any other share option schemes of our Company (including options exercised, cancelled and outstanding) in any 12-month period up to and including the date of grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5.0 million, such further grant of options is required to be approved by Shareholders at a general meeting of our Company, with voting to be taken by way of poll. Our Company shall send a circular to the Shareholders containing all information as required under the Listing Rules in this regard. All connected persons of our Company shall abstain from voting (except where any connected person intends to vote against the proposed grant). Any change in the terms of an option granted to a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

(8) *Time of exercise of option*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(9) *Performance targets*

Save as determined by the Board and provided in the offer of the grant of the relevant options, there is no performance target which must be achieved before any of the options can be exercised.

(10) *Ranking of Shares*

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment. Prior to the grantee (or the grantee's nominee, if applicable) being registered on our Company's register of members, the grantee shall not have any voting rights, or rights to participate in any dividend or distribution (including those arising on a liquidation of our Company), in respect of the Shares to be issued upon the exercise of the option.

(11) *Rights are personal to grantee*

An option shall not be transferable or assignable and shall be personal to the grantee of the option.

(12) *Rights on cessation of employment by death*

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in (13) below arises within a period of 3 years prior to the death, in the case the grantee is an employee at the date of grant), the legal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) within a period of 12 months following his death provided that where any of the events referred to in (16), (17) and (18) occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

(13) *Rights on cessation of employment by dismissal*

In the event that the grantee is an employee of our Group at the date of grant and he subsequently ceases to be an employee of our Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which

an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his option shall lapse automatically (to the extent not already exercised) on the date of cessation of his employment with our Group.

(14) *Rights on cessation of employment for other reasons*

In the event that the grantee is an employee of our Group when an option is made to him and he subsequently 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 (13) above, the option (to the extent not already exercised) shall lapse on the expiry of 3 months after the date of cessation of such employment (which date will be the last actual working day with our Company or the relevant member of the Group whether salary is paid in lieu of notice or not).

(15) *Effects of alterations to share capital*

In the event of any alteration in the capital structure of our Company whilst any option 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 to which our Company is party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised; and/or the subscription prices; and/or the method of exercise of the option, as the auditors or independent financial adviser of our Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable (no such certification is required in case of adjustment made on a [REDACTED]), provided that any alteration shall give a grantee the same proportion of the issued share capital of our Company as that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a share to be issued at less than its nominal value.

(16) *Rights on a general offer*

In the event of a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) being made to all our Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the grantee (or as the case may be, his legal personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within 1 month after the date on which the offer becomes or is declared unconditional.

(17) *Rights on winding-up*

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than 2 business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(18) *Rights on compromise or arrangement*

In the event of a compromise or arrangement between our Company and our Shareholders or our creditors being proposed in connection with a scheme for the reconstruction or amalgamation of our Company pursuant to the Companies Law, our Company shall give notice thereof to all the grantees (or as the case may be, his legal personal representatives) on the same day as we give notice of the meeting to the Shareholders or our creditors to consider such a compromise or arrangement and the options shall become exercisable on such date until the earlier of 2 months after that date and the date on which such compromise or arrangement is sanctioned by the court of the Cayman Islands and becomes effective.

(19) *Lapse of options*

An option shall lapse automatically on the earliest of:

- (aa) the expiry of the period referred to in paragraph (8) above;
- (bb) the date on which the grantee commits a breach of paragraph (11) above;
- (cc) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraph (12), (13), (14), (16), (17) and (18) above;
- (dd) subject to paragraph (17) above, the date of the commencement of the winding-up of our Company;
- (ee) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty; and

- (ff) where the grantee is a substantial shareholder of any member of our Group, the date on which the grantee ceases to be a substantial shareholder of such member of our Group.

(20) *Cancellation of options granted but not yet exercised*

Any cancellation of options granted but not exercised may be effected on such terms as may be agreed with the relevant grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

(21) *Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of ten years commencing on the date on which the Share Option Scheme is adopted by Shareholders in general meeting and shall expire at the close of business on the business day immediately preceding the tenth anniversary thereof unless terminated earlier by Shareholders in general meeting.

(22) *Alteration to the Share Option Scheme*

- (aa) The Share Option Scheme may be altered in any respect by resolution of the Board except that alterations of the provisions of the Share Option Scheme to the advantage of the grantees of the options relating to matters governed by Rule 23.03 of the GEM Listing Rules shall not be made except with the prior approval of the Shareholders in general meeting.
- (bb) Any amendment to any terms of the Share Option Scheme which are of a material nature or any change to the terms of options granted, or any change to the authority of the Board in respect of alteration of the Share Option Scheme must be approved by Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (cc) Any amendment to any terms of the Share Option Scheme or the options granted shall comply with the relevant requirements of Chapter 23 of the GEM Listing Rules and the notes thereto and the supplementary guidance on the interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time (including the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes).

(23) Termination to the Share Option Scheme

Our Company may 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 options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

(24) Conditions of the Share Option Scheme

The Share Option Scheme is conditional upon the fulfillment of the followings:

- (i) the obligations of the Sole [REDACTED] under the [REDACTED] Agreement becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the Sole [REDACTED]) and not being terminated in accordance with the terms of the [REDACTED] Agreement or otherwise;
- (ii) the Listing Committee of the Stock Exchange granting approval of the [REDACTED] of, and permission to deal in, (i) the Shares in issue and to be issued as mentioned in this document, and (ii) any Shares to be issued pursuant to the exercise of Options under the Share Option Scheme; and
- (iii) the commencement of dealings in the Shares on the Stock Exchange.

3. Present status of the Share Option Scheme

Application has been made to the Listing Committee for [REDACTED] of and permission to deal in the [REDACTED] which fall to be issued pursuant to the exercise of the options granted under the Share Option Scheme.

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

E. OTHER INFORMATION

1. Estate duty, tax and other indemnities

Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries in the Cayman Islands or the BVI or Hong Kong in which the companies comprising our Group are incorporated. There are currently no taxes in the form of estate duties under Cayman Islands law, and no estate tax is currently payable by persons who are not resident in the BVI with respect of any shares, debt obligations or other securities of a BVI company.

Stamp Duty

[REDACTED] will be subject to Hong Kong stamp duty. The current ad valorem rate of Hong Kong stamp duty is 0.1% on the higher of the consideration for or the market value of the Shares and it is charged on the purchaser on every purchase and on the seller on every sale of the Shares. A total stamp duty of 0.2% is currently payable on a typical sale and purchase transaction involving the Shares.

Deed of Indemnity

The Controlling Shareholders (the “**Indemnifiers**”) have entered into the deed of indemnity with and in favour of our Company (for ourselves and as trustee for each of our subsidiaries) to provide indemnities in respect of, among other matters, any liability for tax, legal non-compliances and/or certain outstanding legal proceedings against any member of the Group which might be incurred by any member of our Group on or before the [REDACTED] (“**Effective Date**”).

Under the Deed of Indemnity, the Indemnifiers have given indemnities to our Group in relation to (i) the amount of any and all taxation which might be payable by any member of our Group resulting from or by reference to any revenue (including in the form of government financial assistance, subsidy or rebate), income, profits or gains earned, accrued, received or made (or deemed to be so earned, accrued, received or made) on the Effective Date or any event or transaction entered into or occurring or deemed to occur on or before the Effective Date; (ii) any liability due to failure or alleged failure to comply with any applicable laws, rules and regulations in Hong Kong which any member of our Group may suffer or incur as a result of such non-compliances as they may continue to be subsisting as at the Effective Date; (iii) any liability due to certain outstanding legal proceedings in Hong Kong against any member of the Group which any member of our Group may suffer or incur as a result of such legal proceedings as they may continue to be subsisting as at the Effective Date, save for the following among others,

- (a) to the extent that full provisions or allowance has been made in the audited accounts of members of our Group for an accounting period ended on or before 31 March 2015;
- (b) to the extent that such liability arises or is incurred as a result of any retrospective change in law or retrospective increase in tax rates coming into force after the Effective Date;
- (c) to the extent that such liability is caused by the act or omission of, or transaction voluntarily effected by, any members of our Group which are carried out or effected in the ordinary course of business on or before the Effective Date;

- (d) to the extent that such liability is discharged by another person who is not a member of our Group or such loss is recovered under a valid policy of insurance in force and that none of member of the Group is required to reimburse such person or insurance companies in respect of the discharge of such liability; or
- (e) to the extent of any provisions or reserve made for such liability in the audited accounts of our Group up to 31 March 2015 which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision or reserve applied to reduce Indemnifier’s liability in respect of such liability shall not be available in respect of any such liability arising thereafter.

2. Litigation

Save as disclosed in the section headed “Business — Legal Proceedings and Regulatory Compliance” in this document, as at the Latest Practicable Date, no member of our Group is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group, that would have a material adverse effect on our business, results of operations or financial condition.

3. Sole Sponsor

Innovax Capital Limited 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 the Shares to be issued as described in this document.

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 6A.07 of the GEM Listing Rules.

The sponsor’s fee in relation to the [REDACTED] is approximately HK\$4.2 million.

4. Promoter

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

5. Agency fees or commissions received

Saved as disclosed in this document, within the two years immediately preceding the date of this document, no commission, 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 its subsidiaries.

6. Preliminary expenses

The preliminary expenses payable by our Company are estimated to be about HK\$40,000.

7. Registration procedures

The register of members of our Company will be maintained in Cayman Islands by Maples Fund Services (Cayman) Limited and a Hong Kong branch register of members of our Company will be maintained in Hong Kong by [REDACTED]. Save where our Directors otherwise agree, all transfers and other documents of title to Shares must be lodged for registration with, and registered by, our Company's Hong Kong branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

8. Taxation of holders of Shares

[REDACTED] will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

Potential holders of Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in Shares.

None of our Company, our Directors or other parties involved in the [REDACTED] can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

9. Qualification of experts

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

<u>Name</u>	<u>Qualification</u>
Innovax Capital Limited	A corporation licensed to carry on for type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants
John Griffiths SC, CMG, QC	Barrister-at-law in Hong Kong
Lok Hui Yin Michael	Barrister-at-law in Hong Kong
Maples and Calder	Cayman Islands attorneys at law
Ipsos Hong Kong Limited	Industry consultant

10. Consents of experts

Each of the experts named in the paragraph headed “9. Qualification of experts” under this section of this Appendix IV has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or certificates and/or opinions and/or references to its name (as the case may be) included in the form and context in which they are respectively included.

11. Particulars of the [REDACTED]

The particulars of the [REDACTED] are set out as follows:

Name:	Cheers Mate
Description:	A company incorporated in BVI with limited liability on 28 May 2015
Registered Address:	P.O. Box 173, Kingston Chambers, Road Town, Tortola, British Virgin Islands
Number of [REDACTED] to be sold:	[REDACTED]

12. Binding effect

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

13. Bilingual document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies Ordinance (Exemption of Companies and Documents from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong) and Rule 14.25 of the GEM Listing Rules. In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.

14. Miscellaneous

- (a) Save as disclosed in the section headed “History and Development — Reorganisation”, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (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;
 - (iii) no founders, management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued.
- (b) No share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (c) None of the persons whose names are listed in the paragraph headed “9. Qualifications of experts” under this section of this Appendix IV:
 - (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 securities in any member of our Group.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (d) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (e) 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 within 12 months preceding the date of this document.
- (f) There are no arrangements in existence under which future dividends are to be or agreed to be waived.
- (g) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.
- (h) Our Group had not issued any debentures nor did it have any outstanding debentures nor any convertible debt securities as at the Latest Practicable Date.