

## APPENDIX V

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### A. FURTHER INFORMATION ABOUT OUR COMPANY AND OUR SUBSIDIARIES

#### 1. Incorporation or our Company

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law on 16 November 2015. Our Company's registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and has established our principal place of business in Hong Kong at Room 203–204, 2nd Floor, Hang Bong Commercial Centre, 28 Shanghai Street, Jordon, Kowloon, Hong Kong and has been registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 16 December 2015, with Mr. Ng appointed as the authorised representative of our Company for acceptance of service of process in Hong Kong.

Our Company was incorporated in the Cayman Islands and is subject to the Companies Laws. Its constitution comprises the Memorandum of Association and Articles of Association. A summary of various provisions of the Memorandum of Association and Articles of Association and relevant aspects of the Companies Laws is set out in Appendix IV to this document.

#### 2. Changes in share capital of our Company

- (a) Our Company was incorporated in the Cayman Islands on 16 November 2015 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of HK\$0.01 each.
- (b) On 16 November 2015, one nil-paid Share was allotted and issued to the subscriber, which was transferred to Mr. Ng on the same date.
- (c) On 15 December 2015, our Company acquired the entire issued share capital of Ching Lee Group from Mr. Ng, in consideration of which our Company credited as fully paid the one nil-paid subscriber Share held by Mr. Ng and allotted and issued 99 fully paid up new Shares to Mr. Ng.
- (d) On 15 December 2015, JT Glory acquired the entire issued share capital of our Company from Mr. Ng, in consideration of which JT Glory allotted and issued 98 fully paid up new Shares to Mr. Ng.
- (e) Pursuant to the written resolutions of the sole Shareholder passed on [●] 2016, the authorised share capital of our Company was increased from HK\$380,000 to HK\$[100,000,000] by the creation of a further [9,962,000,000] Shares.
- (f) A total of [REDACTED] new Shares will be offered to the public by way of [REDACTED].
- (g) Conditional on the share premium account of our Company being credited with the proceeds from the [REDACTED], HK\$[REDACTED] will be capitalised from the share premium account and applied in paying up in full [REDACTED] Shares which will be allotted and issued to JT Glory on or before the [REDACTED].
- (h) Immediately following the [REDACTED] and the Capitalisation Issue (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme), the issued share capital of our Company will be HK\$[REDACTED] divided into [REDACTED] Shares fully paid or credited as fully paid and [REDACTED] Shares will remain unissued. Other than pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme, our Directors do not have any present intention to

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issue any part of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders at general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

- (i) Save as aforesaid, there has been no alteration in the share capital of our Company since its incorporation.

### 3. Written resolutions of the sole Shareholder passed on [●] 2016

Pursuant to the written resolutions of the sole Shareholder passed on [●] 2016:

- (a) the authorised share capital of our Company was increased from HK\$380,000 to HK\$[100,000,000] by the creation of a further [9,962,000,000] Shares;
- (b) conditional on the conditions as set out in the section headed "Structure and conditions of the [REDACTED]" of this document:
  - (i) the [REDACTED] was approved and our Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED]; and
  - (ii) conditional on the share premium account of our Company being credited as a result of the [REDACTED], our Directors were authorised to capitalise an amount of HK\$[REDACTED] standing to the credit of the share premium account of our Company applying such sum in paying up in full at par [REDACTED] Shares to be allotted and issued to JT Glory.
  - (iii) the rules of the Share Option Scheme 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;
  - (iv) a general unconditional mandate was given to our Directors to exercise all the 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 issues or an issue of Shares upon the exercise of any subscription rights attached to any warrants of our Company or pursuant to the exercise of any options which may be granted under the Share Option Scheme or under any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of our subsidiaries of shares or rights to acquire shares or any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares of our Company in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of our Company or other similar arrangement or pursuant to a specific authority granted by the Shareholders in general meeting, Shares with a total nominal value not (1) exceeding 20% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares falling to be issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme); and (2) the aggregate nominal value of shares repurchased under the Repurchase Mandate as defined in paragraph (v) below. Such mandate shall remain in effect until whichever is the earliest of:
    - (1) the conclusion of the next annual general meeting of our Company;

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- (2) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any applicable laws of Cayman Islands; or
  - (3) the passing of an ordinary resolution of the shareholders of our Company in a general meeting revoking, varying or renewing such mandate;
- (v) a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares falling to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme), such mandate shall remain in effect until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of our Company;
  - (2) the expiration of the period within which the next annual general meeting of our Company is required to be held by the Articles of Association or any applicable law of Cayman Islands; or
  - (3) the passing of an ordinary resolution of the shareholders of our Company in a general meeting revoking, varying or renewing such mandate; and
- (vi) subject to the availability of authorised but unissued share capital and conditional upon paragraphs (iv) and (v) above, the aggregate nominal value of Shares which are purchased or repurchased by our Company pursuant to and in accordance with paragraph (v) above shall be added to the aggregate nominal value of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by our Directors pursuant to and in accordance with paragraph (iv) above provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the [REDACTED];
- (c) the amended and restated Memorandum of Association and Articles of Association of our Company were conditionally approved and adopted to take effect on [REDACTED].

#### 4. Corporate reorganisation

The companies comprising our Group underwent a Reorganisation in preparation for the [REDACTED]. Following the Reorganisation, our Company became the holding company of our Group.

A diagram showing our Group structure after the Reorganisation and immediately upon completion of the Capitalisation Issue and the [REDACTED] (assuming that no Share has been allotted and issued pursuant to the exercise of the [REDACTED] or any option which may be granted under the Share Option Scheme) is set out in the paragraph headed "Shareholding structure immediately after the completion of the Capitalisation Issue and [REDACTED]" in the section headed "History, Reorganisation and Group structure" of this document. For details of the Reorganisation, please refer to the section headed "History, Reorganisation and group structure" of this document.

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

Our subsidiaries are referred to in the Accountants' Report, the text of which is set out in Appendix I to this document. Save for the subsidiaries mentioned in Appendix I to this document, our Company has no other subsidiaries.

Save as disclosed in the paragraphs headed "Reorganisation" in the section headed "History, Reorganisation and group structure" of this document, no alterations in the share capital of any of our subsidiaries have taken place within two years immediately preceding the date of this document.

### 6. Repurchase by our Company of our own securities

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

#### (a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies with a primary [REDACTED] on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

##### (i) Shareholders' approval

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

*Note:* Pursuant to the resolutions in writing of the sole Shareholder passed on [●] 2016, a general mandate was given to our Directors to exercise all powers of our Company to repurchase Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the Capitalisation Issue and the [REDACTED]. The general mandate will expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the articles of association of our Company or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing the authority given to our Directors, whichever occurs first.

##### (ii) Source of funds

Any repurchases must be financed out of funds legally available for such purpose in accordance with the Articles of Association and any applicable laws of the Cayman Islands.

##### (iii) Trading restrictions

A company is authorised to repurchase on the GEM or on any other stock exchange recognised by the SFC in Hong Kong and the Stock Exchange up to a maximum of 10% of the aggregate nominal value of the existing issued share capital of that company or warrants to subscribe for shares in the company representing up to 10% of the amount of warrants then outstanding at the date of the passing of the relevant resolution granting the repurchase mandate. A company may not issue or announce an issue of new securities of the type that have been repurchased for a period of 30 days immediately following a repurchase of securities whether on the GEM or otherwise (except pursuant to the exercise of warrants, share options or similar instruments requiring the company to issue securities which were

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outstanding prior to the repurchase) without the prior approval of the Stock Exchange. A company is also prohibited from making securities repurchase on the GEM if the result of the repurchases would be that the number of the listed securities in hands of the public would be below the relevant prescribed minimum percentage for that company as required and determined by the Stock Exchange. A company shall not purchase its shares on the GEM if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the GEM.

### *(iv) Status of repurchased securities*

The [REDACTED] of all repurchased securities (whether on the GEM or otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under the Cayman Islands law, a company's repurchased shares may be treated as cancelled and, if so cancelled, the amount of the company's issued share capital shall be reduced by the aggregate nominal value of the repurchased shares accordingly although the authorised share capital of the company will not be reduced.

### *(v) Suspension of repurchase*

Any securities repurchase programme is required to be suspended after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (1) 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 (2) 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 purchase its securities on the GEM unless the circumstances are exceptional. In addition, the Stock Exchange may prohibit repurchases of securities on the GEM if our Company has breached the GEM Listing Rules.

### *(vi) Reporting requirements*

Repurchases of securities on the GEM or otherwise must be reported to the Stock Exchange no later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the Stock Exchange business day following any day on which our Company may make a purchase of Shares, reporting 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, a company's annual report and accounts are required to include a monthly breakdown of securities repurchases made during the financial year under review, showing the number of securities repurchased each month (whether on the GEM or otherwise), the purchase price per share or the highest and lowest prices paid for all such repurchases and the total prices paid. The directors' report is also required to contain reference to the purchases made during the year and the directors' reasons for making such purchases. The company shall make arrangements with its broker who effects the purchase to provide the company in a timely fashion the necessary information in relation to the purchase made on behalf of the company to enable the company to report to the Stock Exchange.

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### *(vii) Core connected persons*

Under the GEM Listing Rules, a company shall not knowingly repurchase shares on the Stock Exchange from a core connected person (as defined in the GEM Listing Rules) and a core connected person shall not knowingly sell his shares to the company.

### *(b) Exercise of the Repurchase Mandate*

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after [REDACTED], could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force. On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, there might be a material adverse impact on the working capital and/or gearing position of our Group (as compared with the position disclosed in this document). However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

### *(c) 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. Repurchases of Shares will only be made when our Directors believe that such a repurchase will benefit our Company and Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value and/or earnings per Share.

### *(d) Funding of repurchases*

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the applicable laws and regulations of the Cayman Islands. A listed company is prohibited from repurchasing its own securities on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

Under the Cayman Islands law, any repurchases by our Company may be made out of profits of our Company or out of the proceeds of a fresh issue of share made for the purpose of the repurchase or, if authorised by the articles of association of our Company and subject to the Companies Law, out of capital and, in case of any premium payable on the repurchase, out of profits of our Company or from sums standing to the credit of the share premium accounts of our Company, or if authorised by the Articles of Association of our Company and subject to the Companies Law, out of capital.

### *(e) General*

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates (as defined in the GEM Listing Rules), have any present intention, if the Repurchase Mandate is exercise, to sell any Shares to our Company or our subsidiaries.

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

No core connected person (as defined in the GEM Listing Rules) of our Company has notified our Company of intention to sell Shares to our Company, or such persons have undertaken not to do so, in the event that the Repurchase Mandate is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of our Company and become(s) 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 consequence which would arise under the Takeovers Code due to any repurchase of Shares made pursuant to the Repurchase Mandate immediately after the [REDACTED].

### B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

#### 1. Summary of material contracts

The following 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 document and are or may be material to the business of our Group:

- (a) an instrument of transfer and bought and sold notes all dated 8 December 2015 entered into between Mr. Ng and Ching Lee Group for the transfer of 3,700,000 shares in Ching Lee Engineering from Mr. Ng to Ching Lee Group in consideration of the allotment and issue of 100 credited and fully paid new shares of Ching Lee Group registered in the name of Mr. Ng;
- (b) an instrument of transfer and bought and sold notes all dated 8 December 2015 entered into between Mr. Ng and Ching Lee Group for the transfer of 1,000 shares in Ching Lee Foundation from Mr. Ng to Ching Lee Group in consideration of the allotment and issue of 100 credited and fully paid new shares of Ching Lee Group registered in the name of Mr. Ng;
- (c) an instrument of transfer and bought and sold notes all dated 8 December 2015 entered into between Mr. Ng and Ching Lee Group for the transfer of one share in Right Lucky from Mr. Ng to Ching Lee Group in consideration of the allotment and issue of 100 credited and fully paid new shares of Ching Lee Group registered in the name of Mr. Ng;
- (d) an instrument of transfer and bought and sold notes all dated 15 December 2015 entered into between Mr. Ng and Ching Lee Group for the transfer of 10,000 shares in Ching Lee Construction from Mr. Ng to Ching Lee Group in consideration of the allotment and issue of 100 credited and fully paid new shares of Ching Lee Group registered in the name of Mr. Ng;
- (e) an instrument of transfer and bought and sold notes all dated 15 December 2015 entered into between Mr. Ng and the Company for the transfer of 500 shares in Ching Lee Group from Mr. Ng to the Company in consideration of (i) the allotment and issue of 99 fully paid up new Shares of the Company to Mr. Ng, all of which shall rank pari passu with the share in issue and (ii) the crediting as fully paid at par one nil-paid Share of the Company registered in the name of Mr. Ng;

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- (f) the Deed of Indemnity;
- (g) the Deed of Non-Competition; and
- (h) the [REDACTED].



**2. Intellectual property rights**

**(a) Trademarks**

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

Trademark	Place of registration	Application number	Name of registered proprietor	Class	Date of registration	Expiry date
A  正利工程有限公司 CHING LEE ENGINEERING LIMITED	Hong Kong	303019950	Ching Lee Engineering	37, 42	5 June 2014	4 June 2024
B  正利工程有限公司 CHING LEE ENGINEERING LIMITED						

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

Trademark	Place of application	Application number	Name of applicant	Class	Date of application
A  正利控股有限公司 CHING LEE HOLDINGS LIMITED	Hong Kong	303617163	The Company	37, 42	3 December 2015
B  正利控股有限公司 CHING LEE HOLDINGS LIMITED					

**(b) Domain name**

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

Domain name	Registrant organisation	Registration date	Expiry date
chingleegroup.com	Ching Lee Engineering	24 November 2015	24 November 2016
chingleeeng.com	Ching Lee Engineering	24 November 2015	24 November 2016
chingleeholdings.com	Ching Lee Engineering	24 November 2015	24 November 2016
chinglee.hk	Ching Lee Engineering	22 January 2008	22 January 2017

Save as aforesaid, there are no other trade or service marks, patents, copyright, other intellectual or industrial property rights which, in the opinion of our Directors, are material to our Group’s business.



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**C. FURTHER INFORMATION ABOUT DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

**1. Directors**

*(a) Disclosure of interests of Directors*

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

*Long position*

Name of Directors	Company/name of associated company	Nature of interest	Number and class of securities	Approximate percentage of issued share capital
Mr. Ng	The Company	Interest in a controlled corporation	[REDACTED] <i>(Note)</i>	[REDACTED]%
	JT Glory	Beneficial interest	[REDACTED]	[REDACTED]%

*Note:* The Shares are registered in the name of JT Glory, the entire issued share capital of which is legally and beneficially owned by Mr. Ng. Under the SFO, Mr. Ng is deemed to be interested in all the Shares held by JT Glory.

*(b) Particulars of service contracts and letters of appointment*

Each of Mr. Ng, Mr. Lui and Mr. Lam, being all the executive Directors, [has entered] into a service contract with our Company for an initial fixed term of [three years] commencing from the [REDACTED], unless terminated by not less than [three months' notice] in writing served by either party on the other, and the executive Directors are subject to retirement at the annual general meeting of our Company at least once every three years pursuant to the Articles of Association and the GEM Listing Rules. Commencing from the [REDACTED], each of our executive Directors is entitled to an initial annual salary set out below, such salary to be reviewed annually by our Board and the remuneration committee of our Company. In addition, each of our executive Directors is entitled to such discretionary bonus as our Board and the remuneration committee of our Company may approve, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of our Board approving the amount of annual salary, management bonus and other benefits payable to him. According to the terms of the service

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contracts entered into between our Company and the executive Directors, the current basic annual remuneration (excluding contribution to pension scheme, discretionary bonus and commission) of each of our executive Directors are as follows:

<b>Name</b>	<b>Salaries and allowances (HK\$)</b>	<b>Retirement scheme contributions (HK\$)</b>
Mr. Ng	[1.6] million	[0.07] million
Mr. Lui	[1.6] million	[0.07] million
Mr. Lam	[1.6] million	[0.07] million

Each of Dr. Wai Wing Hong Onyx, Mr. Tong Hin Sum Paul and Mr. Chau Kam Wing Donald, being all our independent non-executive Directors, has entered into a letter of appointment with our Company on [●]. Each letter of appointment is for an initial term commencing on the date of the letter of appointment and shall continue thereafter subject to a maximum of [three years] unless terminated by either party giving at least [one month's notice in writing]. Commencing from the [REDACTED], each independent non-executive Director is entitled to an annual director's fee of HK\$[0.54] million.

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

**(c) Directors' remuneration**

Our Company's policies concerning remuneration of executive Directors are:

- (i) the amount of remuneration payable to our executive Directors will be determined on a case by case basis depending on the experience, responsibility, workload and the time devoted to our Group by the relevant Director;
- (ii) non-cash benefits may be provided to our Directors under their remuneration package; and
- (iii) our executive Directors may be granted, at the discretion of the Board, share options of our Company, as part of the remuneration package.

An aggregate sum of approximately HK\$2,411,000, HK\$3,753,000 and HK\$1,757,000 was paid to our Directors as remuneration (including fees, salaries, allowances and other benefits, discretionary bonuses and contributions to pension scheme) by our Group for the two years ended 31 March 2015 and six months ended 30 September 2015 respectively. Further information in respect of our Directors' remuneration is set out in note 12(a) of the Accountants' Report set out in Appendix I to this document.

An aggregate sum of approximately HK\$[5.0] million will be paid to our Directors as remuneration and benefits in kind (excluding any discretionary bonus) by our Group for the year ending 31 March 2016 and the six months ended 30 September 2016 under the arrangements in force at the date of this document.

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An aggregate sum of approximately HK\$4,566,000, HK\$5,966,000 and HK\$2,561,000 was paid to our five highest paid individuals as remuneration (including salaries, allowances and other benefits and contribution to pension scheme) by our Group for the two years ended 31 March 2015 and six months ended 30 September 2015. Further information is set out in note 12(b) of the Accountants' Report set out in Appendix I to this document.

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 had been no arrangement under which a Director had waived or agreed to waive any emoluments in each of the two years ended 31 March 2015 and six months ended 30 September 2015.

Save as disclosed above, no other payments have been made or are payable in respect of each of the two years ended 31 March 2015 and six months ended 30 September 2015 by any member of our Group to any of our Directors.

### *(d) Disclosure of interests of our Directors in dealings with our Group*

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

## 2. Substantial Shareholders

So far as our Directors are aware, immediately following the completion of the Capitalisation Issue and the [REDACTED] without taking into account of any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any option which may be granted under the Share Option Scheme, the following persons/entities (other than our Directors and chief executives of our Company) will have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of our Company required to be kept under section 336 of the SFO, or who will be, directly or indirectly, to be 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:

Name	Capacity	Number of Shares held	Percentage of shareholding
JT Glory	Beneficial owner	[REDACTED] (Note 1)	[REDACTED]%
Ms. Cheung Yuk Sheung	Interest of spouse	[REDACTED] (Note 2)	[REDACTED]%

### Notes:

1. JT Glory is wholly-owned by Mr. Ng. Under the SFO, Mr. Ng is deemed to be interested in all the Shares held by JT Glory.
2. Mr. Cheung Yuk Sheung is the spouse of Mr. Ng. Under the SFO, Ms. Cheung is deemed to be interested in all the Shares held by Mr. Ng.

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### 3. Agency fees or commissions received

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

### 4. Related party transactions

Our Group entered into the related party transactions within the two years and six months immediately preceding the date of this document as mentioned in note 27 of the Accountants' Report set out in Appendix I to this document.

### 5. Disclaimers

Save as disclosed in this document:

- (a) taking no account of any Shares which may be taken up or acquired under the [REDACTED] or any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which have been or may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following completion of the Capitalisation Issue and the [REDACTED] will have an interest or 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 the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of our Company or any other members of our Group;
- (b) none of our Directors and chief executives of our Company has for the purposes 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, an interest or short position 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;
- (c) none of our Directors nor the experts named in the paragraph headed "Qualifications of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the issue of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) 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;
- (e) none of the experts named in the paragraph headed "Qualifications of experts" in this Appendix has any shareholding 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;
- (f) none of our Directors, their respective close associates (as defined under the GEM Listing Rules) or Shareholders of our Company who are interested in more than 5% of the issued share capital of our Company had any interests in the five largest customers or the vendor of our Group;

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- (g) none of our Directors nor any of the persons whose names are listed in the section headed "Qualifications of experts" in this Appendix 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; and
- (h) none of our Directors nor any of the persons whose names are listed in the section headed "Qualifications of experts" in this Appendix 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.

### D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally approved by the resolutions in writing of the sole Shareholder on [●].

For the purpose of this section, unless the context otherwise requires:

- "Board" means our board of Directors from time to time or a duly authorised committee thereof;
- "Eligible Person" means any full-time or part-time employee of our Company or any member of our Group, including any executive, non-executive director and independent non-executive director, advisor, consultant of our Company or any our subsidiaries;
- "Offer Date" means the date on which an Option is offered to an Eligible Person;
- "Option" means an option to subscribe for Shares granted pursuant to the Share Option Scheme;
- "Option Period" means in respect of any particular Option, the period to be determined and notified by our Board to each Participant;
- "Other Schemes" means any other share option schemes adopted by our Group from time to time pursuant to which options to subscribe for Shares may be granted;
- "Participant" means any Eligible Person who accepts or is deemed to have accepted the offer of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Participant;
- "Shareholders" means shareholders of our Company from time to time;
- "Subsidiary" means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance) of our Company, whether incorporated in Hong Kong or elsewhere; and
- "Trading Day" means a day on which trading of Shares take place on the Stock Exchange.

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### **(a) Purpose of the Share Option Scheme**

The Share Option Scheme enables our Company to grant Options to the Eligible Persons as incentives or rewards for their contributions to our Group.

### **(b) Who may join**

Our Board may, at its discretion, invite any Eligible Persons to take up Options at a price calculated in accordance with sub-paragraph (d) below. Upon acceptance of the Option, the Eligible Person shall pay HK\$1.00 to our Company by way of consideration for the grant. The Option will be offered for acceptance for a period of 28 days from the date on which the Option is granted.

### **(c) Grant of Option**

Our Company may not grant any Option after inside information has come to our knowledge until such inside information has been announced in accordance with the requirements of the GEM Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (a) the date of our 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 under the GEM Listing Rules), and (b) the deadline for our Company to publish an announcement of its results for any year, half-year, quarter-year period or any interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, no Option may be granted. The period during which no Option may be granted will cover any period of delay in the publication of results announcement. Our Board may not grant any Option to an Eligible Person who is a Director during the periods or times in which directors of the listed issuer are prohibited from dealing in shares pursuant to Rules 5.48 to 5.67 prescribed by the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

### **(d) maximum number of options to any one individual**

The total number of Shares issued and to be issued upon exercise of the Options granted to a Participant under the Share Option Scheme and Other Schemes (including both exercised and outstanding Options) in any 12-month period must not exceed 1% of the Shares in issue from time to time, and provided that if approved by Shareholders in general meeting with such Participant and his associates abstaining from voting, our Company may make a further grant of Options to such Participant (the "Further Grant") notwithstanding that the Further Grant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted under the Share Option Scheme and Other Schemes to such Participant (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of the Further Grant representing in aggregate over 1% of the Shares in issue from time to time.

In relation to the Further Grant, our Company must send a circular to the Shareholders, which discloses the identity of the relevant Participant, the number and the terms of the Options to be granted (and Options previously granted to such Participant under the Share Option Scheme and other schemes) and the information required under the GEM Listing Rules. The number and terms (including the exercise price) of options which is the subject of the Further Grant shall be fixed before the relevant Shareholders' meeting and the date of meeting of the Board for proposing the Further Grant should be taken as the Offer Date for the purpose of calculating the relevant subscription price. The Further Grant shall be subject to the approval of the Shareholders in general meeting and/or other requirements prescribed under the GEM Listing Rules from time to time with such Participant and his close associates (as defined in the GEM Listing Rules)

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abstaining from voting. The number and the terms of the Options to be granted (and options previously granted to such Participant under the Share Option Scheme and other schemes) and the information required under the GEM Listing Rules.

### *(e) Price of Shares*

The subscription price for the Shares subject to Options will be a price determined by our Board and notified to each Participant and shall be the highest 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 Options, which must be a Trading Day; (ii) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the date of grant of the Options; and (iii) the nominal value of a Share. For the purpose of calculating the subscription price, in the event that on the date of grant, our Company has been listed for less than five Trading Days, the [REDACTED] shall be used as the closing price for any Trading Day falling within the period before the [REDACTED].

### *(f) Maximum number of Shares*

- (i) The total number of Shares which may be issued upon the exercise of all Options to be granted under the Share Option Scheme and Other Schemes must not, in aggregate, exceed 10% of the Shares in issue as at the [REDACTED] (the "**Scheme Mandate Limit**") provided that Option lapsed in accordance with the terms of the Shares Option Scheme or Other Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. On the basis of [REDACTED] Shares in issue on the [REDACTED], the Scheme Mandate Limit will be equivalent to [REDACTED] Shares, representing 10% of the Shares in issue as at the [REDACTED].
- (ii) Subject to the approval of Shareholders in general meeting, our Company may renew the Scheme Mandate Limit to the extent that the total number of Shares which may be issued upon exercise of all Options to be granted under the Share Option Scheme and Other Schemes under the Scheme Mandate Limit as renewed must not exceed 10% of the Shares in issue as at the date of such Shareholders' approval provided that Options previously granted under the Share Option Scheme and Other Schemes (including those outstanding, cancelled, exercised or lapsed in accordance with the terms thereof) will not be counted for the purpose of calculating the Scheme Mandate Limit as renewed. In relation to the Shareholders' approval referred to in this paragraph (ii), our Company shall send a circular to the Shareholders containing the information required by the GEM Listing Rules.
- (iii) Subject to the approval of Shareholders in general meeting, our Company may also grant Options beyond the Scheme Mandate Limit provided that Options in excess of the Scheme Mandate Limit are granted only to Eligible Persons specifically identified by our Company before such Shareholders' approval is sought. In relation to the Shareholders' approval referred to in this paragraph (iii), our Company shall send a circular to its Shareholders containing a generic description of the identified Eligible Persons, the number and terms of the Options to be granted, the purpose of granting Options to the identified Eligible Persons, an explanation as to how the terms of such Options serve the intended purpose and such other information required by the GEM Listing Rules.
- (iv) Notwithstanding the foregoing, our Company may not grant any Options if the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme and Other Schemes exceeds 30% of the Shares in issue from time to time.

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### ***(g) Time of exercise of Option and performance target***

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Board to each Participant provided that the period within which the Option must be exercised shall not be more than 10 years from the date of the grant of Option. The exercise of an Option may be subject to the achievement of performance target and/or any other conditions to be notified by our Board to each Participant, which our Board may in its absolute discretion determine.

### ***(h) Rights are personal to grantee***

An Option shall be personal to the Participant and shall not be assignable or transferable and no Participant 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. Any breach of the foregoing by the Participant shall entitle our Company to cancel any Option or any part thereof granted to such Participant (to the extent not already exercised) without incurring any liability on our Company.

### ***(i) Rights on death, retirement and cessation of employment***

If a Participant dies before exercising the Options in full, his or her personal representative(s) may exercise the Options in full (to the extent that it has become exercisable on the date of death and not already exercised) within a period of 12 months from the date of death, failing which such Options will lapse.

In the event that a Participant retires in accordance with his contract of employment or upon expiration of his or her contract of employment or term of directorship before exercising his or her options in full, the Participant may exercise the options (to the extent not already exercised) within a period of three months after he so retires or expiration of his contract of employment or term of directorship, failing which such Options will lapse.

### ***(j) Changes in capital structure***

In the event of any alteration in the capital structure of our Company while an Option remains exercisable, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation, reclassification, subdivision or reduction of capital of our Company, such corresponding alterations (if any) shall be made in the number or nominal amount of Shares subject to the Options so far as unexercised, and/or the exercise price, and/or the method of the Options, and/or the maximum number of Shares subject to the Share Option Scheme.

Any adjustments required under this paragraph must give a Participant the same proportion of the equity capital as that to which that Participant was previously entitled and shall be made on the basis that the aggregate exercise price payable by a Participant on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event, but no such adjustments may be made to the extent that Shares would be issued at less than nominal value and, unless with the prior approval of the Shareholders in general meeting, no such adjustments may be made to the advantage of the Participant. For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalisation issue, the independent financial adviser of our Company or the auditors of our Company must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules and the supplementary guidance set out in the letter issued by the Stock Exchange dated 5 September 2005 and any further guidance/interpretation of the GEM Listing Rules issued by the Stock Exchange from time to time.



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### ***(k) Rights on take-over***

If a general offer has been made to all the Shareholders (other than the offeror and/or any persons acting in concert with the offeror), to acquire all or part of the issued Shares, and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Participant shall be entitled to exercise his or her outstanding Option in full or any part thereof within 14 days after the date on which such offer becomes or is declared unconditional. For the purposes of this sub-paragraph, "acting in concert" shall have the meaning ascribed to it under the Codes on Takeovers and Mergers and Share Repurchases of Hong Kong as amended from time to time.

### ***(l) Rights on a compromise or arrangement***

If an application is made to the court (otherwise than where our Company is being voluntarily wound up), pursuant to the Companies Law or the Companies Ordinance, in connection with a proposed compromise or arrangement between our Company and our creditors (or any class of them) or between our Company and our Shareholders (or any class of them), a Participant may by notice in writing to our Company, within a period of 21 days after the date of such application, exercise his or her outstanding Option in full or any part thereof specified in such note. Upon the compromise or arrangement becoming effective, all Options shall lapse except insofar as exercised. Notice of the application referred to herein and the effect thereof shall be given by our Company to all Participants as soon as practicable.

### ***(m) Rights on winding-up***

In the event of a notice being given by our Company to our Shareholders to convene a general meeting for the purpose of approving a resolution to voluntarily wind up our Company when our Company is solvent, our Company shall on the day of such notice to each Shareholder or as soon as practicable, give notice thereof to all Participants. Thereupon each Participant shall be entitled to exercise all or any of his or her outstanding Options at any time no later than two business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon our Company shall as soon as possible and, in any event, no later than the business day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Participant credited as fully paid.

### ***(n) Lapse of Option***

An Option shall lapse forthwith and not exercisable (to the extent not already exercised) on the earliest of:

- (i) the date of expiry of the Option as may be determined by the Board;
- (ii) subject to paragraphs (f) and (p), the expiry of the Option Period of the Option;
- (iii) the first anniversary of the death of the Participant;
- (iv) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the date on which such member of our Group terminates the Participant's employment or removes the Participant from his or her office on the ground that the Participant has been guilty of misconduct, has committed an act of bankruptcy or has become insolvent or has made any arrangements or composition with his or her creditors generally, or has been convicted of any

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criminal offence involving his or her integrity or honesty. A resolution of our Board or the board of directors of the relevant member of our Group to the effect that such employment or office has or has not been terminated or removed on one or more grounds specified in this sub-paragraph shall be conclusive;

- (v) in the event that the Participant was an employee or director of any member of our Group on the date of grant of Option to him or her, the expiry of a period of three months from the date of the Participant ceasing to be an employee or director of such member of our Group by reason of:
  - (1) his or her retirement on or after attaining normal retirement age or, with the express consent of the Board in writing for the purpose of this sub-paragraph, at a younger age;
  - (2) ill health or disability recognised as such expressly by our Board in writing for the purpose of this sub-paragraph;
  - (3) the company by which he or she is employed and/or of which he or she is a director (if not our Company) ceasing to be a subsidiary of our Company;
  - (4) expiry of his or her employment contract or vacation of his or her office with such member of our Group such contract or office is not immediately extended or renewed; or
  - (5) at the discretion of our Board, any reason other than death or the reasons described in sub-paragraph (iv) or (v) (1) to (4);
- (vi) the expiry of any period referred to in paragraph (k) above, provided that in the case of paragraph (k)(i), all Options granted shall lapse upon the proposed compromise or arrangement becoming effective; and
- (vii) the date the Participant commits any breach of the provisions of paragraph (g).

**(o) *Ranking of Shares***

Shares allotted and issued upon the exercise of an Option will be subject to our Company's articles of association as amended from time to time and will rank *pari passu* in all respects with the fully paid or credited as fully paid Shares in issue on the date of such allotment or issue and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date, of allotment and issue 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 date of allotment or issue.

**(p) *Cancellation of Options granted***

Any cancellation of Options granted in accordance with the Share Option Scheme but not exercised must be approved by the grantee concerned in writing. In the event that our Board elects to cancel any Options and issue new ones to the same grantee, the issue of such new Options may only be made with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

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### *(q) Period of Share Option Scheme*

The Share Option Scheme will be valid and effective for a period of ten years commencing on the [REDACTED], after which period no Further Options may be granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects and Options granted during the life of the Share Option Scheme may continue to be exercisable in accordance with their terms of issue.

### *(r) Alteration to and termination of Share Option Scheme*

The Share Option Scheme may be altered in any respect by resolution of our Board, except that (i) any alteration to the advantage of the Participants or the Eligible Persons (as the case may be) relating to matters contained in Chapter 23 of the GEM Listing Rules; and (ii) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of Options granted, except where the alterations take effect automatically under the existing terms of the Share Option Scheme, shall first be approved by the Shareholders in general meeting (with the Eligible Persons, the Participants and their Associates abstaining from voting) provided that if the proposed alternatively shall adversely affect any Options granted or agreed to be granted prior to the date of alteration, such alteration shall be further subject to the consent or sanction of the Participants in accordance with the terms of the Share Option Scheme.

Any alterations to the terms and conditions of Share Option Scheme, which are of a material nature shall first be approved by the Stock Exchange, except where such alterations take effect automatically under the existing terms of the Share Option Scheme.

Our Company may, by ordinary resolution in general meeting, at any time terminate the operation of the Share Option Scheme before the end of its life and in such event no Further Options will be offered but the provisions of the Share Option Scheme shall remain in all other respects in full force and effect in respect of Options granted prior thereto but not yet exercised at the time of termination, which shall continue to be exercisable in accordance with their terms of grant. Details of the Options granted, including Options exercised or outstanding, under the Share Option Scheme, and (if applicable) Options that become void or non-exercisable as a result of termination must be disclosed in the circular to the Shareholders seeking approval for the first new scheme to be established after such termination.

### *(s) Granting of Options to a director, chief executive or substantial shareholder of our Company or any of their associates*

Where Options are proposed to be granted to a director, chief executive or substantial shareholder of our Company or any of their respective associates, the proposed grant must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options).

If a grant of Options to a substantial Shareholder or an independent non-executive Director, or any of their respective associates will result in the total number of the Shares issued and to be issued upon exercise of the Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme or Other Schemes in any 12-month period up to and including the date of the grant (i) representing in aggregate 0.1% (or such other percentage as may from time to time specified by the Stock Exchange) of the Shares in issue from time to time, and (ii) having an aggregate value, based on the closing price of the Shares at the date of the grant, in excess of HK\$5 million, then the proposed grant of Options must be approved by the Shareholders. All connected persons of our

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Company must abstain from voting at such general meeting, except that any connected person may vote against the resolution provided that his or her intention to do so has been stated in the circular. The circular must contain the information required under the GEM Listing Rules.

In addition, Shareholders' approval as described above will also be required for any change in terms of the Options granted to an Eligible Person who is a substantial Shareholder, an independent non-executive Director or their respective associates.

The circular must contain the following:

- (i) details of the number and terms of the Options (including the subscription price relating thereto) to be granted to each Eligible Person, which must be fixed before the relevant Shareholders' meeting, and the date of board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the subscription price;
- (ii) a recommendation from our independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the Options in question) to independent Shareholders, as to voting; and
- (iii) all other information as required by the GEM Listing Rules.

For the avoidance of doubt, the requirements for the granting of Options to a Director or chief executive (as defined in the GEM Listing Rules) set out in this paragraph (r) do not apply where the Eligible Person is only a proposed Director or chief executive.

### ***(t) Conditions of Share Option Scheme***

The Share Option Scheme is conditional on (i) the passing of a resolution to adopt the Share Option Scheme by the Shareholders in general meeting; and (ii) the Stock Exchange granting approval for the [REDACTED] of and permission to deal in the Shares which may be issued pursuant to the exercise of Options.

Application has been made to the Stock Exchange for the [REDACTED] of and permission to deal in the Shares which fall to be issued pursuant to the exercise of Options granted under Share Option Scheme.

### ***(u) Administration of the Share Option Scheme***

The Share Option Scheme will be administered by our Board whose decision (save as otherwise provided therein) shall be final and binding on all parties.

### ***(v) Present status of the Share Option Scheme***

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

### ***(w) Disclosure in annual and interim reports***

Our Company will disclose all information in relation to the Share Option Scheme in its annual and interim reports pursuant to Rule 23.07 of the GEM Listing Rules.

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### E. OTHER INFORMATION

#### 1. Tax and other indemnities

Each of the Controlling Shareholders (collectively, the "**Indemnifiers**") has entered into a Deed of Indemnity with and in favour of our Company (for itself and as trustee for each member of our Group) (being a contract referred to in the paragraph headed "B. Further information about the business of our Group — 1. Summary of material contracts" of this Appendix V to this document, to provide indemnities on a joint and several basis in respect of, amongst other things:

- (a) taxation falling on any member of our Group resulting from or by reference to any revenue, income, profits or gains granted, earned, accrued, received or made (or deemed to be so granted, earned, accrued, received or made) on or before the date on which the [REDACTED] becomes unconditional and dealings in shares of our Company first commence on the Stock Exchange (the "**Effective Date**") or any transactions, matters, things, event, act or omission occurring or deemed to occur on or before such date, whether alone or in conjunction with any other transaction, matter, thing, event, act, omission or circumstance whenever occurring, and whether or not such taxation is chargeable against or attributable to any other person, firm or company; and
- (b) all costs (including all legal costs), expenses, interests, penalties, fines, charges or other liabilities which any member of our Group may properly incur in connection with:
  - (i) the investigation, assessment, the contesting of any claim under (a) above;
  - (ii) the settlement of any claim under (a) above;
  - (iii) any legal proceedings in which any member of our Group claims under or in respect of (a) above, and in which judgment is given for any member of our Group; or
  - (iv) the enforcement of any such settlement or judgments.

The Indemnifiers have also, under the Deed of Indemnity, agreed and undertaken to each of the members of our Group and at all times keep the same indemnified on demand from and against any losses, damages, claims or penalties that our Group may suffer or incur, as a result of our Group's non-compliance matters, as more particularly set out in the section headed "Business — Legal proceedings and legal compliance" in this document (the "**Compliance Matters**"), as such matters subsist prior to the Effective Date.

The Indemnifiers will, however, not be liable under the Deed of Indemnity for taxation, among other:

- (a) to the extent that provision has been made for such taxation in the audited consolidated accounts of our Group or the audited accounts of any member of our Group for an accounting period ended on or before 30 September 2015;
- (b) falling on any member of our Group as a result of any transaction entered into by any member of our Group on or after the Effective Date in the ordinary course of business, or in the ordinary course of acquiring or disposing of capital assets;
- (c) to the extent that such taxation arises or is incurred as a consequence of any change in the law, rules or regulations, or the interpretation or practice thereof by the Inland Revenue Department or any other statutory or governmental authority in any part of the world having retrospective effect coming into force after the Effective Date or to the extent that such

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taxation arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect (except the imposition of or an increase in the rate of Hong Kong profits tax or any tax of any part of the world on the profits of companies for the current or any earlier financial period);

- (d) to the extent that such taxation is discharged by another person who is not a member of our Group and that none of the members of our Group is required to reimburse such person in respect of the discharge of the taxation; or
- (e) to the extent of any provision or reserve made for taxation in the audited accounts referred to in sub-paragraph (a) above 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 the liability of the Indemnifiers or any of them in respect of taxation shall not be available in respect of any such liability arising thereafter.

Pursuant to the Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006 in Hong Kong, estate duty ceased to be chargeable in Hong Kong in respect of the estates of persons dying on or after that date. No Hong Kong estate duty is payable and no estate duty clearance papers are needed for an application for a grant of representation in respect of holders of Shares whose death occur on or after 11 February 2006.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries in the Cayman Islands or the BVI, being jurisdictions in which one or more of the companies comprising our Group were 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.

### **2. Register of members and taxation concerning the Shareholders**

The principal register of members of our Company in the Cayman Islands will be maintained by [REDACTED], and a branch register of members of our Company in Hong Kong will be maintained by [REDACTED]. Save when 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 branch share registrar in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into CCASS as eligible securities.

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to stamp duty. The current rate charged on each of the purchase and seller is 0.1% of the consideration of, if higher, of fair value of our Shares being sold or transferred. Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to the profits tax in Hong Kong. Under the present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfer of shares of companies incorporated in the Cayman Islands, except those companies which hold interests in land in the Cayman Islands. No stamp duties or similar documentary taxes imposed by or in the British Virgin Islands are payable by our Company and our Company will not be required by any laws of the British Virgin Islands to make any deduction or withholding from any payment it may make. Notwithstanding any provision of the Income Tax Ordinance of the British Virgin Islands, (a) our Company; (b) all dividends, interest, rents, royalties, compensations and other amounts paid by our Company; and (c) capital gains realised with respect to any shares, debt obligations or other securities of our Company, are exempt from all provisions of the Income Tax Ordinance of the British Virgin Islands. The British Virgin Islands currently levies no estate, inheritance, succession or gift tax with respect to any shares, debt obligations or other securities of our Company.

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

### 3. Litigation

Save as disclosed in the paragraph headed “Business — Legal Proceedings and Legal Compliance — Legal compliance” in this document, as of the Latest Practicable Date, neither our Company nor any of our subsidiaries was engaged in any litigation or claims or arbitration of material importance and no litigation or claims of material importance is known to our Directors to be pending or threatened against our Company or any of our subsidiaries.

### 4. Sponsor and Sponsor’s fees

The Sponsor has made an application for and on behalf of our Company to the [REDACTED] Division of the Stock Exchange for the [REDACTED] of, and permission to deal in, all the Shares in issue and to be issued as mentioned in this document, including the [REDACTED] and any Shares which may fall to be allotted and issued pursuant to the Capitalisation Issue and the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme.

Our Company agreed to pay the Sponsor a fee of [REDACTED] as the sponsor to our Company for the [REDACTED]. Such sponsor’s fee relates solely to services provided by the Sponsor in the capacity of a sponsor, and not other services which it may provide, such as, but without limitation, book building, pricing and underwriting.

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

### 5. Compliance adviser

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

### 6. Preliminary expenses

The preliminary expenses paid by our Company were approximately HK\$47,000.

### 7. Promoters

Our Company has no promoter for the purposes of the GEM Listing Rules. Save as disclosed in this document, within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

## APPENDIX V

## STATUTORY AND GENERAL INFORMATION

### 8. Qualifications of experts

The qualifications of the experts who have given reports, letter or opinions (as the case may be) in this document are as follows:

<b>Name</b>	<b>Qualification</b>
Kingsway Capital Limited	A corporation licensed under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities
Stevenson, Wong & Co.	Legal advisors to our Company as to Hong Kong law
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
BDO Limited	Certified Public Accountants
Deacons	Legal advisors to our Company as to Hong Kong law on the Buildings Ordinance matters
Allen Chan & Co.	Legal advisors to our Company as to Hong Kong law on the Construction Sites (Safety) Regulations matters
Mr. Billy C.K. Poon	Barrister-at-law of Hong Kong
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Chartered professional surveyors and valuers
Edwin Yeung & Company (CPA) Limited	Certified Public Accountants

### 9. Consents of experts

Each of Kingsway Capital Limited, Stevenson, Wong & Co., Conyers Dill & Pearman, BDO Limited, Deacons, Allen Chan & Co., Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Edwin Yeung & Company (CPA) Limited has given and has not withdrawn its respective written consent to the issue of this document with the inclusion of its report and/or letter and/or opinions and/or summaries of opinion (as the case may be) and the references to their names included in this document in the form and context in which it is respectively included.

### 10. Interests of experts in our Company

None of the persons named in paragraph "E. Other Information — 8. Qualifications of experts" of this Appendix is interested beneficially or otherwise in any Shares or share of any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or nominate persons to subscribe for any shares or securities in any member of our Group.

### 11. Binding effect

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



## APPENDIX V

## STATUTORY AND GENERAL INFORMATION

### 12. No material adverse change

Our Directors confirmed that, up to the Latest Practicable Date, there has been no material adverse change in financial or trading position or prospects of our Group since 30 September 2015, being the date on which the latest financial information of our Group was reported in the Accountants' Report included in Appendix I to this document.

### 13. Miscellaneous

- (a) Save as disclosed in this document, within the two years and six months preceding the date of this document:
  - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (iii) 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;
  - (iv) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company or any of our subsidiaries;
- (b) No founder, management or deferred shares nor any debentures in our Company or any of our subsidiaries have been issued or agreed to be issued.
- (c) There has not been any interruption in the business of our Group which may have or has had a material adverse effect on the financial position of our Group in the 24 months preceding the date of this document.
- (d) None of Kingsway Capital Limited, Stevenson, Wong & Co., Conyers Dill & Pearman, BDO Limited, Deacons, Allen Chan & Co., Mr. Billy C.K. Poon, Jones Lang LaSalle Corporate Appraisal and Advisory Limited and Edwin Yeung & Company (CPA) Limited:
  - (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.
- (e) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (f) Our Company has no outstanding convertible debt securities as of the Latest Practicable Date.
- (g) The principal register of members of our Company will be maintained in the Cayman Islands by [REDACTED] and a branch register of members of our Company will be maintained in Hong Kong by [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

Company's share registrar in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement.

- (h) Our Directors have been advised that, under the laws of Cayman Islands, the use of a Chinese name pre-approved by the Registrar of Companies of the Cayman Islands by our Company in conjunction with the English name, does not contravene the laws of Cayman Islands.
- (i) There are no arrangements in existence under which future dividends are to be or agreed to be waived.

**14. Selling shareholder**

[REDACTED]

**15. Bilingual document**

Pursuant to the exemption provided by section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this document are being published separately. In case of any discrepancies between the English language version and Chinese language version, the English language version shall prevail.