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A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

- (a) Our Company was incorporated in the Cayman Islands as an exempted limited liability company under the Companies Law on 30 January 2019. Our Company has established our principal place of business in Hong Kong at Room 2302-2303, 23/F, Omega Plaza, 32-34A Dundas Street, Mongkok, Hong Kong and has been registered as a non-Hong Kong company under Division 2 in Part 16 of the Companies Ordinance. Mr. Ho Ka Ki (何家淇先生) of Flat A, 12/F, Nam Hoi Mansion, Taikoo Shing, Quarry Bay, Hong Kong and Mr. Sieh Shing Kee (謝城基先生) of Flat D, 6/F, Mei Foo Sun Chuen, 3 Humbert Street, Meifoo Sun Chuen, Kowloon, Hong Kong have been authorised to accept on behalf of our Company service of process and any notices required to be served on our Company.
- (b) As our Company was incorporated in the Cayman Islands, our corporate structure, the Memorandum and the Articles are subject to the Cayman Islands law. A summary of the relevant provisions of the Memorandum, the Articles and certain aspects of the Cayman Islands company law is set out in Appendix III to this document.

2. Changes in the share capital of our Company

The authorised share capital of our Company as at the date of incorporation was HK\$[REDACTED] divided into [REDACTED] Shares of par value of HK\$0.01 each. The following sets out the changes in the share capital of our Company since the date of incorporation:

- (a) On 30 January 2019, our Company allotted and issued one Share, credited as fully paid at par, to Ms. Sharon Pierson, an Independent Third Party, as the initial subscriber; and the subscriber Share was transferred to Good Hill at the consideration of HK\$0.01 on the same day;
- (b) On 15 March 2019, our Company allotted and issued 2,000 Shares, credited as fully paid at a premium, to Good Hill, as part of the consideration for the transfer of the entire issued share capital of A-City Workshop from Mr. Ho and Mr. Sieh as transferors to Kanic International as transferee. For details, please refer to the paragraph headed "History, Development and Reorganisation – Reorganisation" in this document;
- (c) On [●] 2019, the authorised share capital of our Company was increased from HK\$[REDACTED] divided into [REDACTED] Shares to HK\$[REDACTED] divided into [REDACTED] Shares by the creation of additional [REDACTED] new Shares pursuant to a written resolution passed by our sole Shareholder as referred to under the paragraph headed "4. Written resolutions of our sole Shareholder" in this appendix.

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As at the Latest Practicable Date, the authorised share capital of our Company was HK\$[REDACTED] divided into [REDACTED] Shares. Assuming that the [REDACTED] becomes unconditional, the Shares under the [REDACTED] are issued and the [REDACTED] has been exercised in full, immediately following completion of the [REDACTED] and the [REDACTED] but without taking into account any Shares which may be issued upon the exercise of 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 the Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, our Directors do not have any present intention to issue any Shares out of the authorised but unissued share capital of our Company.

3. Changes in the share capital of our subsidiaries

The subsidiaries of our Company are listed in the Accountants’ Report set out in Appendix I to this document.

Other than the alterations described in the section headed “History, Development and Reorganisation” in this document, there has been no change in the share capital of our Company’s subsidiaries within the two years immediately preceding the date of this document.

4. Written resolutions of our sole shareholder

Pursuant to the written resolutions of our sole Shareholder passed on [●] 2019:

- (a) the authorised share capital of our Company was increased from HK\$[REDACTED] divided into [REDACTED] Shares to HK\$[REDACTED] divided into [REDACTED] Shares by the creation of additional [REDACTED] new Shares which shall, when issued and paid, rank pari passu in all respects with the existing issued Shares (other than participation in the [REDACTED]);
- (b) conditional upon the conditions stated under the paragraph headed “Structure and Conditions of the [REDACTED] – Conditions of the [REDACTED]” of this document being fulfilled or waived:
 - (i) the [REDACTED] on the terms and conditions of this document and the [REDACTED] at the [REDACTED] was approved and our Directors were authorised to allot and issue such number of new Shares;
 - (ii) conditional further on the [REDACTED] granting the [REDACTED] of, and the permission to deal in, such number of Shares which may be allotted and issued upon the exercise in full of the options which may be granted under the Share Option Scheme, the Share Option Scheme was approved and adopted, and our Directors or any committee of our

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Board were authorised, at their sole discretion, to make such further changes to the Share Option Scheme as requested by the Stock Exchange and which they may consider necessary, desirable or expedient in connection with the grant of options to subscribe for the Shares under the Share Option Scheme up to the limits as referred to in the Share Option Scheme and to allot, issue and deal with the Shares under the exercise of any options which may be granted under the Share Option Scheme and to take all such action as they may consider necessary, desirable or expedient to implement the Share Option Scheme;

- (iii) subject to the share premium account of our Company being credited as a result of the [REDACTED], our Directors were authorised to allot and issue a total of [REDACTED] Shares, credited as fully paid at par, to our Shareholder whose name appears on the register of members of our Company at 5:00 p.m. on [●] 2019 (or such other time as our Directors may direct) by way of capitalisation of a sum of HK\$[REDACTED] standing to the credit of the share premium account of our Company, and that the Shares to be allotted and issued, as nearly as possible, without involving fractions, and such Shares to rank pari passu in all respects with the then existing issued Shares;
- (iv) a general unconditional mandate was granted to our Directors to exercise all powers of our Company to allot, issue and deal with the Shares and to make or grant offers, agreements or options (including any warrants, bonds, notes and debentures conferring any rights to subscribe for or otherwise receive the Shares) which might require the Shares to be allotted and issued or dealt with subject to the requirement that the total number of the Shares so allotted and issued or agreed conditionally or unconditionally to be allotted and issued, other than under (i) a Rights Issue (as defined below); (ii) any scrip dividend scheme or similar arrangement providing for the allotment and issue of the Shares in lieu of the whole or part of a dividend on the Shares in accordance with the Articles; (iii) any specific authority granted by our Shareholders in general meeting; or (iv) the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, shall not exceed 20% of the total number of the Shares in issue immediately following completion of the [REDACTED] and the [REDACTED];
- (v) a general unconditional mandate was granted to our Directors to exercise all powers of our Company to purchase on the Stock Exchange or on any other stock exchange on which the securities of our Company might be listed and which was recognised by the SFC and the Stock Exchange for this purpose, such number of Shares as would represent up to 10% of the total number of the Shares in issue immediately following completion of the [REDACTED] and the [REDACTED],

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excluding any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme; and

- (vi) the general unconditional mandate as mentioned in paragraph 4(b)(iv) above was extended by the addition to the total number of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors under such general mandate of an amount representing the aggregate par value of the Shares purchased by our Company under the mandate to repurchase Shares as referred to in paragraph 4(b)(v) above;

for the purpose of paragraph 4(b)(iv) above, "Rights Issue" means an offer of Shares or issue of options, warrants or other securities giving the right to subscribe for the Shares open for a period fixed by our Directors to our Shareholders whose names appear on the register of members of our Company (and, where appropriate, to holders of other securities of our Company entitled to the offer) on a fixed record date in proportion to their then holdings of such Shares (or, where appropriate, such other securities) (subject in all cases to such exclusions or other arrangements as our Directors may consider necessary, desirable or expedient (but in compliance with the relevant GEM Listing Rules) in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to our Company);

each of the general mandates referred to in paragraphs 4(b)(iv) and 4(b)(v) above will remain in effect until the earliest of (i) the conclusion of our Company's next annual general meeting; (ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles or any applicable laws of the Cayman Islands to be held; and (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting;

- (c) our Directors were re-elected; and
- (d) the Memorandum was adopted with immediate effect and the Articles were approved and conditionally adopted with effect from the [REDACTED].

5. Reorganisation

In preparation for the [REDACTED], we have undertaken the Reorganisation to rationalise the business and structure of our Group, details of which are set out in the paragraph headed "History, development and Reorganisation – Reorganisation" in this document.

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6. Repurchase of our own securities

This paragraph includes information relating to the repurchase of Shares, including information required by the Stock Exchange to be included in this document concerning such repurchase.

(a) Relevant legal and regulatory requirements

The GEM Listing Rules permit our Shareholders to grant to our Directors the general mandate to repurchase Shares which are [REDACTED]. The general mandate to repurchase Shares is required to be given by way of an ordinary resolution passed by our Shareholders in general meeting.

(b) Shareholders' approval

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

On [●] 2019, our Directors were granted the general mandate to repurchase up to 10% of the total number of the Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme) on the Stock Exchange or on any other stock exchange on which our securities may be listed and which was recognised by the SFC and the Stock Exchange for this purpose. The general mandate to repurchase Shares will expire at the earliest of (i) the conclusion of our Company's next annual general meeting, (ii) the expiration of the period within which our Company's next annual general meeting is required by the Articles or any applicable laws of the Cayman Islands to be held; or (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting (the "**Relevant Period**").

(c) Source of funds

Repurchase of Shares [REDACTED] must be funded out of funds legally available for the purpose in accordance with the Memorandum, the Articles and the applicable laws of the Cayman Islands. We may not repurchase Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the GEM Listing Rules. Subject to the foregoing, we may make repurchases out of our profit or share premium or out of the proceeds of a fresh issue of the Shares for the purpose of the repurchase. Any amount of premium payable on the purchase over the par value of our Shares to be repurchased must be out of profits of our Company or out of the share premium account of our Company. Subject to the Companies Law, a repurchase may also be made out of capital.

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(d) Reasons for repurchases

Our Directors believe that it is in our and our Shareholders' best interests for our Directors to have general authority to execute repurchases of Shares in the market. The repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or [REDACTED] and will only be made where our Directors believe that the repurchases will benefit us and our Shareholders.

(e) Funding of repurchases

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles, the GEM Listing Rules, the Companies Law and other applicable laws of the Cayman Islands. On the basis of the current financial position of our Company as disclosed in this document and taking into account the current working capital position of our Company, our Directors believe that, if the general mandate to repurchase Shares were to be exercised in full, it might have a material adverse effect on our working capital and/or the gearing position as compared with the position disclosed in this document. However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(f) Share capital

The exercise in full of the current general mandate to repurchase Shares, on the basis of [REDACTED] Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme), could accordingly result in up to [REDACTED] Shares being repurchased by us during the Relevant Period.

(g) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates currently intends to sell any Shares to us.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they shall exercise the general mandate to repurchase Shares in accordance with the GEM Listing Rules and the laws of the Cayman Islands.

If, as a result of any repurchase of our Shares, a Shareholder's proportionate interest in our voting rights is increased, the increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in

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concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

None of the core connected persons of our Company has notified us that he or she or it has a present intention to sell his or her or its Shares to us, or has undertaken not to do so, if the general mandate to repurchase Shares is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts


We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document which are or may be material:

- (a) the reorganisation deed (the “**Reorganisation Deed**”) dated 15 March 2019 entered into between Mr. Ho, Mr. Sieh, Kanic International, our Company and Good Hill regarding the transfer of 1,000 ordinary shares in A-City Workshop from Mr. Ho and Mr. Sieh to Kanic International for a consideration of HK\$26,780,000, and settled by (a) Kanic International by allotting and issuing 10 shares, credited as fully paid at a premium, to our Company; (b) our Company by allotting and issuing 2,000 Shares, credited as fully paid at a premium, to Good Hill; and (c) Good Hill by allotting and issuing 1 share, credited as fully paid at a premium, to each of Mr. Ho and Mr. Sieh;
- (b) the Deed of Indemnity dated [●] 2019 executed by our Controlling Shareholders in favour of our Company (for itself and as trustee for each of its present subsidiaries) regarding certain indemnities as more particularly set out in the paragraph headed “E. Other information – 1. Tax and other indemnity” in Appendix IV to this document;
- (c) the [REDACTED] dated [●] 2019 entered into between our Company, our Controlling Shareholders, our executive Directors, the Sponsor, the [REDACTED] and the [REDACTED], in relation to the [REDACTED] of the [REDACTED] by the [REDACTED], as further described under the section headed “[REDACTED]” in this document.

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2. Intellectual property rights*(a) Trademark*

As at the Latest Practicable Date, we had registered the following trademark:

| Trademark | Owner | Trademark number | Class | Place of registration | Expiry date |
|---|--------------------|-------------------------|--------------|------------------------------|----------------------|
|  | A-City Workshop | 304281859 | 37 | Hong Kong | 21 September 2027 |

(b) Domain name

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

| Domain name | Registrant | Registration date | Expiry date |
|---------------------|--------------------|--------------------------|---------------------|
| www.maxicity.com.hk | A-City Workshop | 19 February 2019 | 20 February 2020 |

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND OUR SUBSTANTIAL SHAREHOLDERS

1. Interests and/or short positions of our Directors in the shares, underlying shares and debentures of our Company or any associated corporation

Immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme), the interests and short positions of our Directors and chief executives of our Company in the shares, underlying shares and debentures of our Company or any associated corporation (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 taken or deemed to have under such provisions of the SFO) once the Shares are [REDACTED], or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, once the Shares are [REDACTED], or which will be required, pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to our Company and the Stock Exchange once the Shares are [REDACTED], will be as follows:

| Director | Company concerned | Nature of interests | Class and number of securities held <i>(Note 1)</i> | Approximate percentage of interests in the company concerned |
|----------|-------------------|---|--|--|
| Mr. Ho | Our Company | Interest in controlled corporation/Interests held jointly with another person | [REDACTED] ordinary Shares (L) <i>(Note 2)</i> | [REDACTED] |
| | Good Hill | Beneficial owner | 2 ordinary shares | 50.0 |
| Mr. Sieh | Our Company | Interest in controlled corporation/Interests held jointly with another person | [REDACTED] ordinary Shares (L) <i>(Note 2)</i> | [REDACTED] |
| | Good Hill | Beneficial owner | 2 ordinary shares | 50.0 |

Notes:

- The letter "L" denotes the entity's long position in the Shares.
- These [REDACTED] Shares are held by Good Hill, which in turn is directly owned in equal share by each of Mr. Ho and Mr. Sieh. As such, Mr. Ho and Mr. Sieh are deemed under the SFO to be interested in the [REDACTED] Shares collectively held through Good Hill upon the [REDACTED].

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2. Interests and/or short positions discloseable under the SFO and our Substantial Shareholders

Please refer to the section headed "Substantial Shareholders" in this document for details of the person, which will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

3. Particulars of service agreements and appointment letters

(a) Executive Directors

Each of our executive Directors has entered into a service agreement with our Company under which they have agreed to act as our executive Directors for an initial term of three years commencing from the [REDACTED]. Either party has the right to give not less than three months' written notice to terminate the service agreement.

Each of our executive Directors is entitled to a salary and bonus payment, allowance and benefits-in-kind, at the discretion of our Board. The aggregate annual salary of our executive Directors is HK\$1,428,000.

(b) Independent non-executive Directors

Each of our independent non-executive Directors has entered into an appointment letter with our Company under which they have agreed to act as our independent non-executive Directors for an initial term of three years commencing from the [REDACTED]. The aggregate annual fees payable to our independent non-executive Directors is HK\$540,000.

(c) Remuneration of our Directors

- (i) The aggregate of the remuneration paid and benefits in kind granted to our Directors by any member of our Group in respect of the year ended 31 December 2018 is approximately HK\$1,428,000.
- (ii) The aggregate remuneration payable to, and benefits in kind receivable by, our Directors by any member of our Group in respect of the year ending 31 December 2019 under the arrangements in force at the date of this document are estimated to be approximately HK\$1,698,000.

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D. SHARE OPTION SCHEME

The followings are the principal terms of the Share Option Scheme conditionally adopted under the written resolutions of our sole Shareholder passed on [●] 2019:

1. Conditions

- (a) The Share Option Scheme is conditional upon:
 - (i) the [REDACTED] granting the [REDACTED] of and permission to deal in such number of Shares representing the General Scheme Limit (as defined in paragraph 7(b)) to be allotted and issued by our Company pursuant to the exercise of options in accordance with the terms and conditions of the Share Option Scheme; and
 - (ii) the passing of the necessary resolution to approve and adopt the Share Option Scheme in general meeting or by way of written resolution of our sole Shareholder.
- (b) If the conditions referred to in paragraph 1(a) are not satisfied on or before the date falling 30 days after the date of this document, the Share Option Scheme shall forthwith determine and no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme.
- (c) Reference in paragraph 1(a)(i) to the [REDACTED] formally granting the [REDACTED] and permission referred to therein shall include any such [REDACTED] and permission which are granted subject to the fulfilment of any condition precedent or condition subsequent.

2. Purpose, duration and administration

- (a) The purpose of the Share Option Scheme is to enable our Company to grant options to the Eligible Participants (as defined in paragraph 3(a) below) as incentives or rewards for their contribution to our Group.
- (b) The Share Option Scheme shall be subject to the administration of our Directors whose decision on all matters arising in relation to the Share Option Scheme or their interpretation or effect shall (save for the grant of options referred to in paragraph 3(b) which shall be approved in the manner referred to therein and save as otherwise provided herein) be final and binding on all persons who may be affected thereby.
- (c) Subject to paragraphs 1 and 13, the Share Option Scheme shall be valid and effective until the close of business of our Company on the date which falls 10 years (the "**Termination Date**") after the date on which the Share Option Scheme is adopted upon fulfilment of the condition (the "**Adoption Date**"), after which period no further options may be issued but the provisions of the

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Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme.

- (d) An Eligible Participant who accepts the offer in accordance with the terms of the Share Option Scheme or (where the context so permits and as referred to in paragraph 5(d)(i)) his personal representative (the "**Grantee**") shall ensure that the acceptance of an offer, the holding and exercise of his option in accordance with the Share Option Scheme, the allotment and issue of Shares to him upon the exercise of his option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. Our Directors may, as a condition precedent of making an offer and allotting Shares upon an exercise of an option, require an Eligible Participant or a Grantee (as the case may be) to produce such evidence as it may reasonably require for such purpose.

3. Grant of options

- (a) Subject to paragraph 3(b), our Directors shall, in accordance with the provisions of the Share Option Scheme and the GEM Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the Adoption Date to make an offer to any person belonging to the following classes of participants (the "**Eligible Participants**") to subscribe, and no person other than the Eligible Participant named in such offer may subscribe, for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such price per Share at which a Grantee may subscribe for the Shares on the exercise of an option, as determined in accordance with paragraph 4 (the "**Subscription Price**"), as our Directors shall, subject to paragraph 4, determine:
 - (i) any employee (whether full time or part time, including any executive director but excluding any non-executive director) of our Company, any subsidiary or any entity in which any member of our Group holds any equity interest (the "**Invested Entity**");
 - (ii) any non-executive directors (including independent non-executive directors) of our Company, any subsidiary or any Invested Entity;
 - (iii) any supplier of goods or services to any member of our Group or any Invested Entity;
 - (iv) any customer of any member of our Group or any Invested Entity;

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- (v) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (vi) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purposes of the Share Option Scheme, the offer may be made to any company wholly owned by one or more Eligible Participants.

For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

- (b) Without prejudice to paragraph 7(d) below, the making of an offer to any Director, chief executive of our Company or Substantial Shareholder, or any of their respective associates must be approved by our independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of an option).
- (c) The eligibility of any of the Eligible Participants to an offer shall be determined by our Directors from time to time on the basis of our Directors' opinion as to his contribution to the development and growth of our Group.
- (d) An offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as our Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares under the option and the "**Option Period**" (which means, in respect of any particular option, a period (which may not expire later than 10 years from the offer date of that option) to be determined and notified by our Directors to the Grantee thereof and, in the absence of such determination, from the offer date to the earlier of (i) the date on which such option lapses under the provisions of paragraph 6; and (ii) 10 years from the offer date of that option) in respect of which the offer is made and further requiring the Eligible Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the

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Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the offer date.

- (e) An offer shall state, in addition to the matters specified in paragraph 3(d), the following:
 - (i) the name, address and position of the Eligible Participant;
 - (ii) the number of Shares under the option in respect of which the offer is made and the Subscription Price for such Shares;
 - (iii) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares under the option comprised in the offer;
 - (iv) the last date by which the offer must be accepted (which may not be later than 21 days from the offer date);
 - (v) the procedure for acceptance;
 - (vi) the performance target(s) (if any) that must be attained by the Eligible Participant before any option can be exercised;
 - (vii) such other terms and conditions of the offer as may be imposed by our Directors as are not inconsistent with the Share Option Scheme; and
 - (viii) a statement requiring the Eligible Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme including, without limitation, the conditions specified in, inter alia, paragraphs 2(d) and 5(a).
- (f) An offer shall have been accepted by an Eligible Participant in respect of all Shares under the option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the offer duly signed by the Eligible Participant together with a remittance in favour of our Company of HK\$1 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.
- (g) Any offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the option which are offered provided that it is accepted in respect of a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the offer duly signed by such Eligible Participant and received by our Company together with a remittance in favour of our Company of HK\$1 by way of consideration for the grant

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thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

- (h) Upon an offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 3(f) or 3(g), an option in respect of the number of Shares in respect of which the offer was so accepted will be deemed to have been granted by our Company to such Eligible Participant on the offer date. To the extent that the offer is not accepted within the time specified in the offer in the manner indicated in paragraph 3(f) or 3(g), it will be deemed to have been irrevocably declined.
- (i) The Option Period of an option may not end later than 10 years after the Offer Date of that Option.
- (j) Options will not be [REDACTED] or dealt in on the [REDACTED].
- (k) For so long as the Shares are [REDACTED]:
 - (i) our Company may not grant any options after inside information has come to our knowledge until we have announced the information. In particular, we may not grant any option during the period commencing one month immediately before the earlier of:
 - (aa) the date of the Board meeting (as such date is first notified to the Stock Exchange under the GEM Listing Rules) for approving our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the GEM Listing Rules); and
 - (bb) the deadline for our Company to announce our results for any year or half-year under the GEM Listing Rules, or quarterly or any other interim period (whether or not required under the GEM Listing Rules), and ending on the date of the results announcement, no offer may be made; and
 - (ii) our Directors may not make any offer to an Eligible Participant who is a Director during the periods or times in which our Directors are prohibited from dealing in Shares pursuant to Rules 5.46 to 5.68 of the GEM Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

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4. Subscription Price

The Subscription Price in respect of any option shall, subject to any adjustments made pursuant to paragraph 8, be at the discretion of our Directors, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of the Shares on the offer date;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the offer date; and
- (c) the par value of the Share,

except that for the purpose of calculating the Subscription Price under paragraph 4(b) above for an option offered within five Business Days of the [REDACTED], the price at which the Shares are to be offered for subscription under the [REDACTED] shall be used as the closing price for any Business Day falling within the period before the [REDACTED].

5. Exercise of options

- (a) An option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle our Company to cancel any option granted to such Grantee to the extent not already exercised.
- (b) Unless otherwise determined by our Directors and stated in the offer to a Grantee, a Grantee is not required to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.
- (c) Subject to, inter alia, paragraph 2(d) and the fulfilment of all terms and conditions set out in the offer, including the attainment of any performance targets stated therein (if any), an option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 5(d) and 5(e) by giving notice in writing to our Company stating that the option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the option remains unexercised is less than one board lot or where the option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Subscription Price

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for Shares in respect of which the notice is given. Within 21 days (seven days in the case of an exercise pursuant to paragraph 5(d)(iii)) after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisors pursuant to paragraph 8, our Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of option by a personal representative pursuant to paragraph 5(d)(i), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his personal representative as aforesaid) a share certificate for every board lot of Shares so allotted and issued and a share certificate for the balance (if any) of the Shares so allotted and issued which do not constitute a board lot.

- (d) Subject as hereinafter provided, an option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:
 - (i) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s) or, as appropriate, the Grantee may exercise the option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 5(c) within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with our Company or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as our Directors may determine or, if any of the events referred to in paragraph 5(d)(iii) or 5(d)(iv) occur during such period, exercise the option pursuant to paragraph 5(d)(iii) or 5(d)(iv) respectively;
 - (ii) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 6(a)(iv) before exercising the option in full, the option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless our Directors otherwise determine in which event the Grantee may exercise the option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 5(c) within such period as our Directors may determine following the date of such cessation or termination or, if any of the events referred to in paragraph 5(d)(iii) or 5(d)(iv) occur during such period, exercise the option pursuant to paragraph 5(d)(iii) or 5(d)(iv) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with our Company or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not;

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- (iii) if a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all our Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, our Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, our Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to our Shareholders, the Grantee shall, notwithstanding any other terms on which his options were granted, be entitled to exercise the option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to our Company in accordance with the provisions of paragraph 5(c) at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;

- (iv) in the event of a resolution being proposed for the voluntary winding-up of our Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two Business Days before the date on which such resolution is to be considered and/or passed, exercise his option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 5(c) and our Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his option not less than one day before the date on which such resolution is to be considered and/or passed whereupon he shall accordingly be entitled, in respect of the Shares allotted and issued to him in the aforesaid manner, to participate in the distribution of the assets of our Company available in liquidation pari passu with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all options then outstanding shall lapse and determine on the commencement of the winding-up; and

- (v) if the Grantee is a company wholly owned by one or more Eligible Participants:
 - (aa) the provisions of paragraphs 5(d)(i), 5(d)(ii), 6(a)(iv) and 6(a)(v) shall apply to the Grantee and to the options granted to such Grantee, mutatis mutandis, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs 5(d)(i), 5(d)(ii), 6(a)(iv) and 6(a)(v) shall occur with respect to the relevant Eligible Participant; and

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- (bb) the options granted to the Grantee shall lapse and determine on the date the Grantee ceases to be wholly owned by the relevant Eligible Participant provided that our Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

- (e) Shares to be allotted and issued 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 then existing fully paid Shares in issue on the date on which the option is duly exercised or, if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members (the "**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted and issued upon the exercise of an option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of our Company as the holder thereof.

6. Early termination of the Option Period

- (a) The Option Period in respect of any option shall automatically terminate and that option (to the extent not already exercised) shall lapse on the earliest of:
 - (i) the expiry of the Option Period;
 - (ii) the expiry of any of the periods referred to in paragraph 5(d);
 - (iii) the date of commencement of the winding-up of our Company;
 - (iv) in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the Grantee or our Group or the Invested Entity into disrepute);
 - (v) in respect of a Grantee other than an Eligible Employee, the date on which our Directors shall at their absolute discretion determine that (aa) (1) such Grantee or his associate has committed any breach of any contract entered into between such Grantee or his associate on the one part and our Group or any Invested Entity on the other part; or (2) such Grantee has committed any act of bankruptcy or has become insolvent

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or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) such Grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by any other reason whatsoever; and (bb) the Option shall lapse as a result of any event specified in sub-paragraph (1), (2) or (3) above; and

- (vi) the date on which our Directors shall exercise our Company's right to cancel the option by reason of a breach of paragraph 5(a) by the Grantee in respect of that or any other option.
- (b) A resolution of our Directors to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in paragraph 6(a)(iv) or that any event referred to in paragraph 6(a)(v)(aa) has occurred shall be conclusive and binding on all persons who may be affected thereby.
- (c) Transfer of employment of a Grantee who is an Eligible Employee from one member of our Group to another member of our Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Grantee who is an Eligible Employee is placed on such leave of absence which is considered by the directors of the relevant member of our Group not to be a cessation of employment of the Grantee.

7. Maximum number of Shares available for subscription

- (a) The maximum number of Shares which may be allotted and issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group shall not exceed 30% of the issued share capital of our Company in issue from time to time. No options may be granted under the Share Option Scheme or any other share option scheme adopted by our Group if the grant of such option will result in the limit referred to in this paragraph 7(a) being exceeded.

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- (b) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue at the time dealings in the Shares first commence on the Stock Exchange, i.e. [REDACTED] Shares (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]) (the “**General Scheme Limit**”) provided that:
- (i) subject to paragraph 7(a) and without prejudice to paragraph 7(b)(ii), our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted; and
 - (ii) subject to paragraph 7(a) and without prejudice to paragraph 7(b)(i), our Company may seek separate Shareholders’ approval in general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 7(b)(i) to Eligible Participants specifically identified by our Company before such approval is sought.
- (c) Subject to paragraph 7(d), the total number of Shares issued and which may fall to be issued upon exercise of the options and the options granted under any other share option scheme of our Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being. Where any further grant of options to a Grantee under the Share Option Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by our Shareholders in general meeting with such Grantee and his associates abstaining from voting.

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- (d) Without prejudice to paragraph 3(b), where any grant of options to a Substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
 - (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 offer date of each offer, in excess of HK\$5 million;

such further grant of options must be approved by our Shareholders in general meeting.

- (e) For the purpose of seeking the approval of our Shareholders under paragraphs 7(b), 7(c) and 7(d), our Company must send a circular to our Shareholders containing the information required under the GEM Listing Rules and where the GEM Listing Rules shall so require, the vote at the Shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the GEM Listing Rules abstaining from voting.

8. Adjustments to the Subscription Price

- (a) In the event of any alteration in the capital structure of our Company whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares, or reduction of the share capital of our Company, then, in any such case our Company shall instruct the auditors or an independent financial advisor to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:
 - (i) the number or nominal amount of Shares to which the Share Option Scheme or any option(s) relates (insofar as it is/they are unexercised); and/or
 - (ii) the Subscription Price of any option; and/or
 - (iii) (unless the relevant Grantee elects to waive such adjustment) the number of Shares comprised in an option or which remain comprised in an option,

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and an adjustment as so certified by the auditors or such independent financial advisor shall be made, provided that:

- (i) any such adjustment shall give the Grantee the same proportion of the issued share capital of our Company for which such Grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment;
- (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (iii) the issue of Shares or other securities of our Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (iv) any such adjustment shall be made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

In respect of any adjustment referred to in this paragraph 8(a), other than any adjustment made on a capitalisation issue, the auditors or such independent financial advisor must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the GEM Listing Rules.

- (b) If there has been any alteration in the capital structure of our Company as referred to in paragraph 8(a), our Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 5(c), inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial advisor obtained by our Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial advisor as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 8(a).
- (c) In giving any certificate under this paragraph 8, the auditors or the independent financial advisor appointed under paragraph 8(a) shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on our Company and all persons who may be affected thereby.

9. Cancellation of options

- (a) Subject to paragraph 5(a) and Chapter 23 of the GEM Listing Rules, any option granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of our Directors.

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- (b) Where our Company cancels any option granted to a Grantee but not exercised and issues new option(s) to the same Grantee, the issue of such new option(s) may only be made with available unissued options (excluding, for this purpose, the options so cancelled) within the General Scheme Limit or the limits approved by our Shareholders pursuant to paragraph 7(b)(i) or 7(b)(ii).

10. Share capital

The exercise of any option shall be subject to our Shareholders in general meeting approving any necessary increase in the authorised share capital of our Company. Subject thereto, our Directors shall make available sufficient authorised but unissued share capital of our Company to allot and issue the Shares on the exercise of any option.

11. Disputes

Any dispute arising in connection with the number of Shares the subject of an option, or any adjustment under paragraph 8(a) shall be referred to the decision of the auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

12. Alteration of the Share Option Scheme

- (a) Subject to paragraphs 12(b) and 12(d), the Share Option Scheme may be altered in any respect by a resolution of our Directors except that:
 - (i) the provisions of the Share Option Scheme as to the definitions of "Eligible Participants", "Grantee", "Option Period" and "Termination Date"; and
 - (ii) the provisions of the Share Option Scheme relating to the matters governed by Rule 23.03 of the GEM Listing Rules;

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of our Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of our Shareholders under the Articles for a variation of the rights attached to the Shares.

- (b) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted shall be approved by our Shareholders in general meeting except where the alterations take effect automatically under the existing terms of the Share Option Scheme.

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- (c) Any change to the authority of our Directors or the administrators of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in general meeting.
- (d) The terms of the Share Option Scheme and/or any options amended pursuant to this paragraph 12 must comply with the applicable requirements of the GEM Listing Rules.

13. Termination

Our Company by resolution in general meeting may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but in all other respects the provisions of the Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Application has been made to the [REDACTED] for the [REDACTED] of, and permission to deal in, the Shares which may be issued upon the exercise of the options granted under the Share Option Scheme, being [REDACTED] Shares in total. As at the date of this document, no option had been granted by our Company under the Share Option Scheme.

E. OTHER INFORMATION

1. Tax and other indemnity

Our Controlling Shareholders (together, the "Indemnifiers") have entered into the Deed of Indemnity to provide the following indemnities in favour of our Company (for itself and as trustee for each of its present subsidiaries).

Under the Deed of Indemnity, the Indemnifiers will jointly and severally indemnify each member of our Group against (a) all damages, losses, claims, penalties, charges, fees, costs, interests, expenses and liabilities which our Group may suffer, incur or be imposed by any regulatory authorities or courts in Hong Kong or any applicable jurisdiction as a result of any violation or non-compliance by any member of our Group with any applicable laws, rules or regulations on all matters subsisting prior to the date on which the conditions set out under the paragraph headed "Structure and Conditions of the [REDACTED] – Conditions of the [REDACTED]" in this document being fulfilled (the "Effective Date"); (b) taxation, together with all reasonable costs, expenses or other liabilities which any member of our Group may incur in connection with (i) the investigation, assessment, contesting or settlement of any taxation claim under the Deed of Indemnity; (ii) any legal proceeding in relation to taxation claim in which any member of our Group claims under or in respect of the Deed of Indemnity and in which judgment is given for any member of our Group; or (iii) the enforcement of any such settlement or judgment falling on any member of our Group resulting from

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or by reference to any income, profits or gains, transactions, events, acts, omissions, matters or things earned, accrued or received, entered into or occurring on or before the Effective Date; and (c) any liability for Hong Kong estate duty which might be incurred by any member of our Group and/or its associated companies by reason of any transfer of property (within the meaning of section 35 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group on or before the Effective Date.

The Indemnifiers will, however, not be liable under the Deed of Indemnity where, among others, (a) allowance, provision or reserve has been made for taxation in the audited accounts of our Group for each of the two financial years ended 31 December 2018; (b) taxation claim arises as a result of the imposition of taxation as a consequence of any introduction of new legislation or any retrospective change in law or the interpretation or practice by the relevant tax authority coming into force after the Effective Date or taxation claim arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect; (c) any member of our Group is liable as a result of any event occurring or income, profits earned, accrued or received or transactions entered into in the ordinary course of business on or before the Effective Date; or (d) taxation or liability would not have arisen but for any act or omission by any member of our Group voluntarily effected otherwise than in the ordinary course of business on or before the Effective Date.

Our Directors have been advised that no material liability for estate duty would be likely to fall upon our Company or any of our subsidiaries in the Cayman Islands, the BVI and Hong Kong.

2. Litigation or claims

Save as disclosed in the paragraphs headed "Business – Litigations and claims" in this document, as at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was 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. The Sponsor

The Sponsor has made an application on behalf of our Company to the [REDACTED] for the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued as mentioned in this document.

Save for the advisory fees to be paid to Grande Capital Limited as the Sponsor in connection with the [REDACTED] and advisory fees to be paid to Grande Capital Limited as our compliance adviser with effect from the [REDACTED], neither Grande Capital Limited nor any of their respective associates has or may, as a result of the [REDACTED], have any interests in any class of securities of our Company or any of our subsidiaries (including options or rights to subscribe for such securities).

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The Sponsor has confirmed that it satisfies the independence criteria applicable to sponsors set forth in Rule 6A.07 of the GEM Listing Rules.

4. Preliminary expenses

The estimated preliminary expenses incurred or proposed to be incurred by our Company are approximately HK\$44,000 and are payable by our Company.

5. Promoters

Our Company has no promoter for the purpose of the GEM Listing Rules.

6. Qualification of experts

The qualifications of the experts (as defined under the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the GEM Listing Rules) who have given their opinions or advice in this document are as follows:

| Expert | Qualification |
|----------------------------------|--|
| Grande Capital Limited | A corporation licensed under the SFO to carry on type 6 (advising on corporate finance) regulated activities as defined in the SFO |
| Conyers Dill & Pearman | Cayman Islands attorneys-at-law |
| Mr. Chan Chung | Barrister-at-law in Hong Kong |
| Grant Thornton Hong Kong Limited | Certified Public Accountants |
| Frost & Sullivan Limited | Industry consultant |

None of the experts named above 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 members of our Group.

7. Consents of experts

Each of the Sponsor, Conyers Dill & Pearman, Mr. Chan Chung, Grant Thornton Hong Kong Limited and Frost & Sullivan Limited has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or the references to their names included in this document in the form and context in which they are respectively included.

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8. Miscellaneous

Save as disclosed in this document:

- (a) none of our Directors nor any of the parties listed under the paragraph headed "6. Qualification 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 date 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;
- (b) 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;
- (c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (d) no capital of any member of our Group is under option, or agreed conditionally or unconditionally to be put under option;
- (e) we have not issued or agreed to issue any founder or management or deferred Shares;
- (f) we have no outstanding debentures or convertible debt securities;
- (g) no commissions, discounts, brokerages or other special terms were granted 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, and none of our Directors nor any of the parties listed under the paragraph headed "6. Qualification of experts" in this appendix has received any such payment or benefit;
- (h) within the two years immediately preceding the date of this document, no commission (but not including commission to the [REDACTED]) had been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares in or debentures of our Company;
- (i) our Directors have confirmed that there has been no material adverse change in the financial or trading position of our Group since 31 May 2019;
- (j) there is no arrangement under which future dividends are waived or agreed to be waived; and

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- (k) in case of discrepancy, the English version of this document shall prevail over the Chinese version.

9. Binding effect

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

10. Bilingual document

The English version and the Chinese version of this document are being published separately in reliance upon the exemption provided by section 4 of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).