

**A. FURTHER INFORMATION ABOUT OUR GROUP**

**1. Incorporation of our Company**

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 26 April 2017. Our Company has established a place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong and was registered in Hong Kong under Part 16 of the Companies Ordinance as a non-Hong Kong company on [●], with Ms. Choy Yee Man (蔡綺文), our Company Secretary, and Ms. Wong Yik Han (黃譯嫻) appointed as our authorised representatives, for the acceptance of service of process and notices in Hong Kong.

As we are incorporated in the Cayman Islands, we operate subject to the Companies Law and to our constitution, which comprises the Memorandum of Association and Articles of Association. A summary of various provisions of our constitution and relevant aspects of the Companies Law is set out in "Summary of the Constitution of our Company and Companies Law" in Appendix IV to this [REDACTED].

**2. Change in share capital of our Company**

As at the date of incorporation, our authorised share capital was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. Upon its incorporation, one Share was allotted and issued in cash at par, to its initial subscriber. On the same day, the said one Share was transferred to Elegant Kindness. The following set out the changes in the share capital of our Company since the date of its incorporation:

- (a) On 28 June 2018, our Company allotted and issued 79,695 shares to Elegant Kindness at par.
- (b) On 4 July 2018, our Company allotted and issued 5,804 shares to Xinland Investment at par.
- (c) On 3 September 2018, our Company allotted and issued 4,643, 11,608 and 1,161 shares to Xinland Investment, Brilliance Benefit Holding Limited and Five Standers Holding Limited respectively at par.
- (d) On 21 September 2018, our Company allotted and issued 9,122 shares to Elegant Kindness at par.
- (e) On 28 September, our Company allotted and issued 2,322 shares to Brilliance Benefit Holding Limited at par.
- (f) On 2 October 2018, our Company allotted and issued 54,404 shares to Elegant Kindness at par.

- (g) On [●], the shareholders of the Company conditionally approved the authorised share capital of the Company to be increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares by creation an additional 9,962,000,000 Shares with effect immediately prior to the Completion of the Capitalisation Issue and[REDACTED].
- (h) Immediately prior to the completion of the [REDACTED] and the Capitalisation Issue (taking no account of any Shares which may be allotted and issued upon the exercise of the [REDACTED] or the options which may be granted under the Share Option Scheme), the authorised share capital will be HK\$100,000,000 divided into 10,000,000,000 Shares, and following the Completion of the Capitalisation Issue and the [REDACTED], the issued share capital will be HK\$[REDACTED] divided into [REDACTED] Shares, which will be issued fully paid or credited as fully paid and [REDACTED] Shares will remain unissued.

Other than pursuant to the general mandate to issue Shares set out in the section headed "Statutory and General Information — A. Further Information about our Group — 4. Resolution in writing passed by our Shareholders passed on [●]" in this Appendix and pursuant to the exercise of the options which may be granted under the Share Option Scheme, our Company does not have any present intention to issue any authorised but unissued share capital of the Company and, without the prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of the Company.

Save as disclosed in the [REDACTED], there has been no alteration in the share capital of our Company since its incorporation.

### 3. Change in share capital of our subsidiaries

Our subsidiaries are listed in "History, Reorganisation and Group Structure" in this [REDACTED]. The following alterations in the share capital of our subsidiaries have taken place within two years preceding the date of this [REDACTED]. For further details on the change in share capital of our major operating subsidiaries, please refer to the section headed "History, Reorganisation and Group Structure — Our Major Operating Subsidiaries" in this [REDACTED].

#### *Top Innovation*

On 28 May 2018, Top Innovation was incorporated and 1 share of US\$1.00 par value each was allotted and issued to our Company.

#### *Shanghai Xiong Ao*

On 5 June 2018, Shanghai Xiong Ao was established in the PRC with registered capital of RMB1,000,000. On 20 July 2018, the registered capital of Shanghai Xiong Ao was increased to RMB1,006,985 and on 30 August 2018, the registered capital was further increased to RMB1,010,101.

*Acme Innovation*

On 28 May 2018, Acme Innovation was incorporated and 1 share of US\$1.00 par value each was allotted and issued to our Company.

Save as disclosed above and in the section headed "History, Reorganisation and Group Structure" in this [REDACTED], there has been no alternation in the share capital of any of our subsidiaries within the two years immediately preceding the date of this [REDACTED].

**4. Resolutions in writing passed by our Shareholders passed on [●]**

On [●], our then Shareholders, passed resolutions in writing, pursuant to which, amongst other matters:

- (a) our Company conditionally approved an increase of its authorised share capital from HK\$380,000 to HK\$100,000,000 by creation of an additional 9,962,000,000 Shares with effect immediately prior to the Capitalisation Issue and the [REDACTED], each ranking pari passu in all respects with our existing issued Shares;
- (b) our Company approved and adopted the Memorandum and Articles with effect from the [REDACTED];
- (c) conditional on the Listing Committee of the Stock Exchange granting the [REDACTED] in, our Shares in issue and our Shares to be issued as mentioned in this [REDACTED] and on the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the [REDACTED] acting for itself and on behalf of the [REDACTED]) and not being terminated in accordance with terms of the [REDACTED] or otherwise, in each case on or before such dates as may be specified in the [REDACTED]:
  - (i) the [REDACTED] was approved and our Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED] to rank pari passu on and subject to the terms and conditions stated in this [REDACTED];
  - (ii) conditional upon the share premium account of the Company being credited as a result of [REDACTED], the Directors are authorised to capitalise the sum of HK\$[REDACTED] and apply the same in paying up in full at par [REDACTED] Shares for allotment and issue to the Shareholders whose names appeared on the register of members of our Company in proportion (as nearly as possible without involving fractions) to their then existing shareholders in our Company and such Shares to be allotted and issued shall rank pari passu in all respects with all other existing issued shares;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (iii) the [REDACTED] was approved and the Directors were authorised to effect the same and to allot and issue Shares upon the exercise of the [REDACTED]; and
- (iv) the rules of the Share Option Scheme, the principal terms of which are set out in the section headed "Statutory and General Information — D. Share Option Scheme" in this Appendix, were approved and adopted and our Directors or any such committee thereof were authorised to approve any amendments to the rules of the Share Option Scheme as may be acceptable or not objected to by the Stock Exchange, and at their absolute discretion to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, expedient or desirable to implement Share Option Scheme and to vote on any matter connected therewith notwithstanding that they or any of them may be interested in the same;
- (d) a general unconditional mandate (the "**Issuing Mandate**") was given to the Directors to exercise all powers for and on our behalf to allot, issue and deal with (otherwise than by way of rights issue or any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or a specific authority granted by the Shareholders in general meeting or pursuant to the [REDACTED], unissued Shares and securities carrying rights to subscribe for, exchange or convert into Shares (whether the exercise of such rights may take place during or after the period while such mandate remains in effect) with a total number of Shares not exceeding 20% of the total number of Shares in issue immediately following completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] or Share Option Scheme), such mandate to remain in effect from the date of [REDACTED] until whichever is the earliest of:
  - (v) the conclusion of the next annual general meeting of our Company;
  - (vi) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
  - (vii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;

- (e) a general unconditional mandate (the "**Repurchase Mandate**") was given to the Directors authorising them to exercise all powers for and on our behalf to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares not exceeding 10% of the aggregate of the total number of Shares in issue immediately following completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] or the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of our Company;
  - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
  - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (f) the Issuing Mandate was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (d) above, provided that such extended amount shall not exceed 10% of the total number of Shares in issue immediately following completion of the Capitalisation Issue and the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] or Share Option Scheme).

## 5. Group reorganisation

The companies comprising our Group underwent a reorganisation to rationalise our Group's structure in preparation for the [REDACTED]. For information with regard to our Reorganisation, please refer to the section head "History, Development and Reorganisation" in this [REDACTED] for details.

## 6. Repurchase of Shares by our Company

This section includes the information required by the Stock Exchange to be included in this [REDACTED] concerning the repurchase of our own securities.

### (a) *Regulations of the Listing Rules*

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

#### (i) Shareholders' approval

All repurchases of securities (which must be fully paid up in the case of shares) on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transaction.

Pursuant to the written resolutions of our then Shareholders passed on [●], a general unconditional mandate (being the Repurchase Mandate referred to above) was given to the Directors authorising any repurchase by us of our Shares 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 of such number of Shares with a total number as will represent up to 10% of the total number of Shares in issue immediately following the completion of the [REDACTED] (excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] and the options under the Share Option Scheme) at any time until (i) the conclusion of the next annual general meeting of the Company; (ii) or the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of Cayman Islands to be held; (iii) or the passing of an ordinary resolution by our Shareholders in general meeting revoking, varying or renewing such mandate, whichever occurs first.

#### (ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of the Cayman Islands. Any repurchase may be made out of funds legally permitted to be utilised in this connection, including profits of our Company, share premium account for our Company or out of proceeds of a fresh issue of Shares made for that purpose and in the case of any premium payable on a repurchase over the par value of the Shares to be repurchased, it must be paid out of either or both of the profits of our

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

Company or our Company's share premium account. Subject to satisfaction of the solvency test prescribed by the Companies Law, a repurchase may also be made out of capital.

*(b) Reasons for repurchases*

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

*(c) Funding of repurchases*

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

The 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 or gearing position of our Company which, in the opinion of the Directors, are from time to time appropriate for our Company. However, there might be a material adverse impact on the working capital or gearing position of our Company as compared with the position disclosed in this [REDACTED] in the event that the Repurchase Mandate is exercised in full.

*(d) Share capital*

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after the completion of the [REDACTED] (without taking into account any Shares which may be issued upon the exercise of the [REDACTED]) would result in up to [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles and applicable laws and regulations of the Cayman Islands to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting.



**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

(e) *Trading restrictions*

Pursuant to the Listing Rules, our Company:

- (i) shall not purchase its Shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its Shares were traded on the Stock Exchange;
- (ii) shall not purchase its Shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time;
- (iii) shall not knowingly purchase its Shares from a core connected person and a core connected person shall not knowingly sell Shares to our Company, on the Stock Exchange;
- (iv) shall procure that any broker appointed by our Company to effect the purchase of its Shares shall disclose to the Stock Exchange such information with respect to purchases made on behalf of our Company as the Stock Exchange may request;
- (v) shall not purchase its Shares on the Stock Exchange at any time after an inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of:
  - (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
  - (b) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement, our Company may not purchase its Shares on the Stock Exchange, unless the circumstances are exceptional;

- (vi) may not purchase its Shares on the Stock Exchange if that purchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or the relevant prescribed minimum percentage for the Company as determined by the Listing Rules from time to time).



The Stock Exchange may waive all or part of the above restrictions if, in its opinion, the above are exceptional circumstances.

(f) *General*

None of our Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), have any present intention if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to our Company or its subsidiaries.

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 Listing Rules and the applicable laws and regulations of the Cayman Islands.

No core connected person of our Company has notified us that he or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

No repurchase of Shares has been made by us since our incorporation.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made immediately after the listing of the Shares on the Stock Exchange. Save as aforesaid, our Directors are not aware of any other consequences which would arise under the Takeovers Code as a consequence of any repurchases made pursuant to the Repurchase Mandate immediately after the [REDACTED].

**B. FURTHER INFORMATION ABOUT OUR BUSINESS**

**1. Summary of material contracts**

We entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years preceding the date of this [REDACTED] that are or may be material and a copy of each has been delivered to the Registrar for registration:

- (a) the Share Exchange Agreement dated 19 July 2017 entered into between Ossen Innovation, Hua Wei, Fascinating Acme, ADDRf, the shareholders of ADDRf (as defined in Annex I to the agreement) and Hao Gang Howard (referred to as the "Exchange Agreement" in the section headed "History, Reorganisation and Group Structure — Reorganisation" in this [REDACTED]), pursuant to which Ossen Innovation agreed to purchase all of the issued and outstanding shares and any other equity interests in or of ADDRf in exchange for newly issued Purchases Shares as defined in the agreement;
- (b) the Share Purchase Agreement dated 19 July 2017 entered into between Elegant Kindness, Dr. Tang, Ossen Innovation Materials and Ossen Innovation (referred to as the "Spin-Off Agreement" in the section headed "History, Reorganisation and Group Structure — Reorganisation" in this [REDACTED]), pursuant to which Elegant Kindness agreed to acquire all of the issued and outstanding shares of Ossen Innovation Materials in exchange for the repurchase of all issued and outstanding ordinary shares of Ossen Innovation owned by Dr. Tang by Ossen Innovation from Dr. Tang;
- (c) the Agreement for the Sales and Purchase dated 2 October 2018 entered into between Effectual Strength, Dr. Tang, Acme Innovation, our Company and Elegant Kindness, pursuant to which Acme Innovation agreed to purchase 65.9% of the issued share capital of Ossen Innovation in consideration of the allotment of 54,404 shares of our Company to Elegant Kindness;
- (d) the Deed of Non-Competition Agreement;
- (e) the Deed of Indemnity; and
- (f) The [REDACTED].

**APPENDIX V**




**STATUTORY AND GENERAL INFORMATION**

**2. Intellectual property rights**

As at the Latest Practical Date, we had registered or had applied for the registration of the following intellectual property rights, which are material to our business:

(a) *Trademarks*

As at the Latest Practicable Date, our Group was the registered owner the following trademarks which, in the opinion of our Directors are material to our business:

| No. | Trademark   | Registration number | Place of application | Trademark owner            | Class | Registration date | Expiration date  |
|-----|---|---------------------|----------------------|----------------------------|-------|-------------------|------------------|
| 1.  |    | 1573888             | PRC                  | Shanghai Pujiang           | 6     | 21 May 2011       | 20 May 2021      |
| 2.  | <b>OSSEN</b>  | 4396895             | PRC                  | Ossen Innovation Materials | 6     | 7 August 2007     | 6 August 2027    |
| 3.  |   | 4396896             | PRC                  | Ossen Innovation Materials | 6     | 7 October 2007    | 6 October 2027   |
| 4.  |  | 4396898             | PRC                  | Ossen Innovation Materials | 6     | 28 November 2007  | 27 November 2027 |

(b) *Patents*

As at the Latest Practicable Date, our Group was the registered owner of the following patents which, in the opinion of our Directors are material to our business:

| Patent title  | Place of registration | Registrant                            | Patent type | Registration number | Duration of validity                    |
|---|-----------------------|---------------------------------------|-------------|---------------------|---|
| 1. Processing process of stabilising scoring wire*<br>(一種刻痕鋼絲穩定化處理工藝)   | PRC                   | Ossen (Jiujiang)                      | Invention   | ZL200710157149.0    | 23 November 2007 to<br>22 November 2027 |
| 2. Mechanism to preform traction of the main cable linear unit bundle of simulated suspension bridge*<br>(仿懸索橋主纜綫性單元束股的預成型牽引機構) | PRC                   | Shanghai Pujiang;<br>Zhejiang Pujiang | Invention   | ZL200810039340.X    | 20 June 2008 to<br>19 June 2028         |
| 3. Method to preform simulation of main cable bundle of suspension bridge*<br>(仿懸索橋主纜束股的預成型方法)                                  | PRC                   | Shanghai Pujiang;<br>Zhejiang Pujiang | Invention   | ZL200810039780.5    | 27 June 2008 to<br>26 June 2028         |

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

| Patent title  | Place of registration | Registrant                            | Patent type          | Registration number | Duration of validity                      |
|---|-----------------------|---------------------------------------|----------------------|---------------------|---|
| 4. Method to change the process waste of stranded wire connector*<br>(改變鋼絞線接頭工藝廢品長度的方法)                           | PRC                   | Ossen Innovation Materials            | Invention            | ZL200910144241.2    | 27 July 2009 to<br>26 July 2029           |
| 5. Intelligent cable loosening method*<br>(智能化水平放索方法)   | PRC                   | Shanghai Pujiang                      | Invention            | ZL200910196706.9    | 29 September 2009 to<br>28 September 2029 |
| 6. Mechanism to preform simulation of main cable linear unit bundle of suspension bridge*<br>(仿懸索橋主纜綫性單元束股的預成型機構) | PRC                   | Shanghai Pujiang;<br>Zhejiang Pujiang | Invention            | ZL200810039340      | 20 June 2008 to<br>19 June 2028           |
| 7. Processing process of composite anti-corrosion cable*<br>(複合防腐型拉索制作工藝)   | PRC                   | Shanghai Pujiang;<br>Zhejiang Pujiang | Invention            | ZL200810039345.2    | 20 June 2008 to<br>19 June 2028           |
| 8. Prefabricated parallel steel wire strand*<br>(預製平行鋼絲索股)  | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL200920214399.8    | 27 November 2009 to<br>26 November 2019   |
| 9. Aluminium, galvanised steel wire of oblique cable* (鍍鋅鋁鋼絲斜拉索)  | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL200920214398.3    | 27 November 2009 to<br>26 November 2019   |
| 10. Preformed aluminium, galvanised steel wire of oblique cable strand*<br>(預製平行鍍鋅鋁鋼絲索股)                          | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL200920214400.7    | 27 November 2009 to<br>26 November 2019   |
| 11. Production process of galvanised steel wire* (一種鍍鋅鋼絲生產工藝)   | PRC                   | Ossen (Jiujiang)                      | Invention            | ZL201010105179.9    | 3 February 2010 to<br>2 February 2030     |
| 12. Prefabricated paralleled cable strand*<br>(預製平行索股)  | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL201020147001.6    | 31 March 2010 to<br>30 March 2020         |
| 13. Dehumidification and inflation device for main cable*<br>(主纜除濕充氣裝置)   | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL201020693153.6    | 31 December 2010 to<br>30 December 2020   |
| 14. Cable to be used to test cable force for cable-stayed bridge*<br>(用於斜拉橋的可測索力拉索)                               | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL201020693157.4    | 31 December 2010 to<br>30 December 2020   |
| 15. Full life self-test sealed cable*<br>(全壽命自檢測密封型拉索)  | PRC                   | Shanghai Pujiang                      | Utility model patent | ZL201220241875.7    | 28 May 2012 to<br>27 May 2022             |

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

| Patent title  | Place of registration | Registrant                            | Patent type          | Registration number | Duration of validity                    |
|---|-----------------------|---------------------------------------|----------------------|---------------------|---|
| 16. Inflatable sealed cable*<br>(充氣密封式拉索)   | PRC                   | Shanghai Pujiang;<br>Zhejiang Pujiang | Utility model patent | ZL201220746868.2    | 31 December 2012 to<br>30 December 2022 |
| 17. Processing process of galvanised steel wire*<br>(一種鍍鋅鋼絲再加工工藝)   | PRC                   | Ossen (Jiujiang)                      | Invention            | ZL201310137387.0    | 19 April 2013 to<br>18 April 2033       |
| 18. Suspension bridge main cable pre-integer unit cable*<br>(懸索橋主纜預整型單元索股)  | PRC                   | Shanghai Pujiang;<br>Zhejiang Pujiang | Utility model patent | ZL201420171814.7    | 10 April 2014 to<br>9 April 2024        |
| 19. Prestressed steel aeration pickling tank and pickling method*<br>(一種預應力鋼絞綫曝氣酸洗池及酸洗方法)                                   | PRC                   | Ossen Innovation Materials            | Invention            | ZL 201510161287.0   | 7 April 2015 to<br>6 April 2035         |
| 20. Production method of stabilisation treatment for prestressed galvanised steel wire joints*<br>(一種預應力鍍鋅鋼絲接頭穩定化處理生產方法)    | PRC                   | Ossen (Jiujiang)                      | Invention            | ZL201610567857.0    | 19 July 2016 to<br>18 July 2036         |
| 21. Utility model relating to a pulling and matching method for high strength prestressed steel wire*<br>(一種高強度預應力鋼絲拉拔配模方法) | PRC                   | Ossen (Jiujiang)                      | Invention            | ZL201610567616.6    | 19 July 2016 to<br>18 July 2036         |

As at the Latest Practicable Date, we have applied for the following patents which, in the opinion of our Directors are material to our business:

| Patent title  | Place of application | Registrant                 | Patent type | Registration number | Application date |
|---|----------------------|----------------------------|-------------|---------------------|------------------|
| 1. Prestressed steel manufacturing tool and steel wire manufacturing method* (一種預應力鋼絞綫製造工具及鋼絞綫製造方法) | PRC                  | Ossen Innovation Materials | Invention   | ZL 201510160732.1   | 7 April 2015     |

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

(c) *Domain Names*

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

|    | Domain name             | Place of registration | Registrant                 | Registration Date | Expiry Date      |
|----|-------------------------|-----------------------|----------------------------|-------------------|------------------|
| 1. | www.pji-group.com       | PRC                   | Shanghai Pujiang           | 13 November 2018  | 13 November 2020 |
| 2. | www.spccc.com           | PRC                   | Shanghai Pujiang           | 2 November 1998   | 1 November 2020  |
| 3. | www.osseninnovation.com | PRC                   | Ossen Innovation Materials | 12 July 2010      | 12 July 2020     |

Save as disclosed herein, there are no other trade or service marks, patents, copyrights, other intellectual or industrial property rights which are material to the business of our Group.

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

**1. Directors**

(a) *Disclosure of interest — interests and short positions of the Directors and the chief executives of our Company in our Shares, underlying Shares and debentures of our Company and our associated corporations*

Immediately following completion of the [REDACTED] (without taking into account any Shares which fall to be issued upon exercise of the [REDACTED] or the Share Option Scheme), the interest and short position of our Directors or chief executives of our Company in our Shares, underlying Shares and debentures of our Company and our 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 interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required to be

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, will be as follows:

Interest in the Company

| Name of Director | Capacity  | Number and class of securities | Approximate shareholding percentage (%) |
|------------------|---|--------------------------------|---|
| Dr. Tang         | Interest of a controlled corporation <sup>(2)</sup> | [REDACTED]                     | [REDACTED]                              |

Notes:

1. The letter "L" denotes the entity/person's long position in the Shares.
2. The [REDACTED] Shares are held by Elegant Kindness which is in turn wholly owned by Dr. Tang. Dr. Tang is deemed or taken to be interested in all the Shares held by Elegant Kindness for the purposes of SFO. Dr. Tang is the sole director of Elegant Kindness.

(b) *Particulars of service contracts*

Each of our executive Directors [has entered] into a service contract with our Company for a term of three years commencing from the [REDACTED], which may be terminated in accordance with the provisions of the service contract. Particulars of the service agreements of the executive Directors are in all material respects the same.

[Each of Ms. Pang Yingli (潘英麗), Mr. Chen Dewei (陳德偉) and Mr. Zhang Bihong (張弼弘) has been appointed as an independent non-executive Director pursuant to a service contract for a term of [three] years commencing from the [REDACTED]. The appointments are subject to the provisions of retirement by rotation of Directors and Articles.]

(c) *Directors' remuneration*

The aggregate amount of remuneration paid and benefits in kind granted to our Directors in respect of each of three financial years ended 2015, 2016, 2017 and six months ended 30 June 2018 were approximately nil, nil, nil and nil, respectively.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors for the year ended 31 December 2018 will be approximately RMB28,000.

Save as disclosed in this [REDACTED], none of our Directors has or is proposed to have a service contract with any member of our Group, save for contracts expiring or determinable by any member of our Group within one year without the payment of compensation other than statutory compensation.



**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

**2. Substantial Shareholders**

So far as the Directors are aware, immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon exercise of the [REDACTED] or options under the Share Option Scheme), the following persons other than a director or chief executive of our Company will have an interest or short position in the Shares and the underlying Shares which would fall to be disclosed to our Company under provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be, directly or indirectly, interested in 10% or more of the issued Shares or shares of associated companies carrying rights to vote in all circumstances at general meetings of any other members of our Group:

| Shareholder      | Nature of interest              | Number of Shares | Approximate percentage of Shareholding (%) |
|------------------|---------------------------------|------------------|--|
| Elegant Kindness | Beneficial owner <sup>(2)</sup> | [REDACTED]       | [REDACTED]                                 |

*Notes:*

1. The letter "L" denotes the entity/person's long position in the Shares.
2. These Shares are held by Elegant Kindness, which is wholly owned by Dr. Tang by virtue of the SFO, Dr. Tang is deemed to be interested in the Shares held by Elegant Kindness.

**3. Directors' and Shareholders' interests in suppliers and customers of our Group**

As at the Latest Practicable Date, so far as our Directors are aware, none of the persons who are (1) Directors and their close associates; or (2) Shareholders and their close associates which to the knowledge of our Directors will own more than 5% of our Company's issued share capital immediately upon completion of the [REDACTED] assuming the [REDACTED] and the options under the Share Option Scheme are not exercised had interest in the five largest customers or five largest suppliers of our Group.

**4. Disclaimers**

Save as disclosed herein and as at the Latest Practicable Date:

- (a) none of our Directors or experts referred to under the heading "Consents of experts" in this Appendix has any direct or indirect interest in the promotion of our Company, or in any assets which have within the two years immediately preceding the date of this [REDACTED] been 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;

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

- (b) none of our Directors or experts referred to under the heading "Consents of experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this [REDACTED] which is significant in relation to the business of our Group;
- (c) None of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)); and
- (d) none of the experts referred to under the heading "Consents of experts" in this Appendix is interested beneficially or otherwise any shareholding in any member of our Group or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

**D. SHARE OPTION SCHEME**

**1. Summary of terms**

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted pursuant to a resolution in writing passed by our Shareholders on [●]:

For the purpose of this section, references to the (a) "Board" shall mean the Board from time to time or a duly authorised committee thereof; (b) "Employee" shall mean any employee (whether full time or part time employee, including any executive Director but not any non-executive Director) of our Group and any Invested Entity; (c) "Participant" shall mean: (i) any Employee; (ii) any non-executive Director (including independent non-executive Directors) of our Group or any Invested Entity; (iii) any supplier of goods or services to any member of our Group or any Invested Entity; (iv) any customer, business or joint venture partner, franchisee, contractor, agent or representative of our Group or any Invested Entity; (v) any consultant, adviser, manager, officer or entity that provides design, research, development or other support or any advisory, consultancy, professional or other services to our Group or any Invested Entity; and (v~ any direct or indirect shareholder of our Group; and (d) "Invested Entity" shall mean any entity in which our Group holds any equity interest (irrespective of the percentage of such equity interest).

*(a) Purpose of the scheme*

The purpose of the Share Option Scheme is to provide incentives or rewards to the Participants for their contribution to the growth of our Group and any Invested Entity and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group and any Invested Entity.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

*(b) Who may join*

The Board shall be entitled but shall not be bound at any time and from time to time within the period of ten years from the date on which the Share Option Scheme becomes effective to make offers to any Participant, as the Board may in its absolute discretion select, and subject to such conditions as the Board may think fit, to take up options to subscribe for Shares, being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof, as the Board may determine at a price calculated in accordance with sub-paragraph (c) below. For the purpose of the Share Option Scheme, options may be granted to any company wholly-owned by a Participant.

*(c) Subscription price for Shares and consideration for the option*

The subscription price for Shares in respect of any options granted under the Share Option Scheme shall be a price determined by the Board, in its absolute discretion, but in any case shall not be less than the highest of:

- (i) the closing price per Share as stated in the Stock Exchange's daily quotation sheet on the date of grant, which must be a trading day;
- (ii) the average closing price per Share as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of grant; and
- (iii) the nominal value of a Share on such date of grant,

provided that for the purpose of calculating the subscription price, where the Shares have been listed on the Stock Exchange for less than five trading days, the new issue price shall be used as the closing price for any trading day falling within the period before such listing. Upon acceptance of the option, the grantee shall pay HK\$1 to our Company by way of consideration for the grant.

*(d) Restriction on time of grant of option*

No offer for grant of options shall be made after inside information has come to our Company's knowledge until we have announced the information. In particular, during the period of one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (ii) the deadline for our Company to publish an announcement of our results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the announcement of the results, no option shall be granted. Options may be granted to any company wholly-owned by a Participant.

Our Directors may not grant any option to a Participant who is a Director during the periods or times in which our Directors are prohibited from dealing in Shares under such circumstances as prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

(e) *Maximum number of Shares*

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Group shall not, in aggregate, exceed 10% of the total number of Shares in issue immediately following completion of the Placing (the "Scheme Mandate Limit") (i.e. not exceeding [REDACTED] Shares, without taking into account any Shares which may be allotted and issued upon the exercise of the options granted under the Share Option Scheme) unless our Company seeks the approval of the Shareholders in general meeting for refreshing the Scheme Mandate Limit in accordance with below. Options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Group shall not be counted for the purpose of calculating whether the Scheme Mandate Limit has been exceeded.
- (ii) Our Company may seek approval of Shareholders in general meetings for refreshing the Scheme Mandate Limit provided that the total number of Shares in respect of which Options may be granted under the Share Option Scheme and any other share option schemes of our Group as "**refreshed**" shall not exceed 10% of the total number of Shares in issue as at the date of the approval by the Shareholders of the refreshment of the Scheme Mandate Limit. All options granted under the Share Option Scheme and any other share option schemes of our Group (including those outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Group and exercised options) prior to the approval of such refreshment shall not be counted for the purpose of calculating whether the refreshed Scheme Mandate Limit has been exceeded. For the purpose of seeking the approval, our Company shall send a circular to the Shareholders.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

- (iii) Our Company may grant options to Participant(s) beyond the Scheme Mandate Limit if the grant of such options is specifically approved by the Shareholders in general meeting provided that the proposed grantee(s) of such option(s) must be specifically identified by our Company before such approval is sought. In seeking such approval, a circular must be sent to the Shareholders containing a generic description of the specified proposed grantees of such options, the number and terms of the options to be granted, the purpose of granting such options to the proposed grantees with an explanation as to how the terms of these options serve such purpose.

Notwithstanding the above, the maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Group must not exceed 30% of the Shares in issue from time to time.

*(f) Maximum entitlement of each Participant*

No Participant shall be granted an option if the total number of Shares issued and to be issued upon exercise of the options granted and to be granted (including both exercised and outstanding options) in any 12-month period up to and including the date of the such further grant would exceed 1% of the Shares in issue as at the date of such further grant unless such further grant has been approved by the Shareholders in general meeting with the Participant and his associates abstaining from voting. A circular must be sent to the Shareholders disclosing, among other things, the identity of the Participant and the number and terms of the options to be granted and options previously granted to such Participant. The number and terms (including the subscription price) of the options to be granted to such Participant must be fixed before the Shareholders' approval and the date of meeting of the Board for proposing such further grant of option should be taken as the date of grant for the purpose of calculating the subscription price.

*(g) Granting options to connected persons*

Any grant of option to our Directors, chief executive or Substantial Shareholders or any of their respective associates under the Share Option Scheme must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the relevant options).

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

Where any proposed grant of option is made 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 exercised, cancelled and outstanding options) 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 on the date of grant; and
- (ii) having an aggregate value in excess of HK\$5,000,000 based on the closing price of the Shares at the date of each grant,

then the proposed grant of option must be subject to approval by Shareholders in accordance with the Listing Rules.

*(h) Time of acceptance and exercise of option*

An offer of the grant of option may be accepted by a Participant within 21 business days from the date of the offer of grant of options.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may in its absolute discretion determine which shall not be more than ten years from the date of grant of the option and the Board may at its discretion determine the minimum period for which the option has to be held or restrictions before the exercise of the subscription right attaching to an option.

*(i) Rights are personal to grantee*

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 create any interest (legal or equitable) in favour of any third party over or in relation to any option. In the event that the option is granted to a company wholly-owned by a Participant, such Participant shall not sell, transfer, encumber, charge, mortgage or create any interest in favour of any third party over or in relation to the share capital of such company wholly-owned by him. Any breach of the foregoing shall entitle our Company to cancel any outstanding options or any part thereof granted to such grantee.

*(j) Rights on ceasing employment*

In the event of the grantee (or the beneficial owner of the grantee in the event that the option is granted to a company wholly-owned by the Participant), who being an Employee on the date of grant, ceasing to be an Employee for any reason other than death or the termination of employment on one or more of the grounds referred to in (I) below 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

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

exercisable unless the Board otherwise determines in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as the Board may determine following the date of such cessation or termination or, if any of the events referred to in (n) or (o) below occur during such period, exercise the option pursuant to (n) or (o) below respectively. The date of cessation or termination as aforesaid shall be the last day on which the grantee was actually at work with our Group whether salary is paid in lieu of notice or not (provided that the retirement of director(s) of our Group or the relevant Invested Entity at an annual general meeting of such member or Invested Entity who is/are re-elected at the same annual general meeting shall not be regarded as ceasing employment for the purpose of this paragraph).

*(k) Rights on death*

In the event of the death of the grantee (or the beneficial owner of the grantee in the event that the option is granted to a company wholly-owned by a Participant) and provided that in the event the grantee (or the beneficial owner of the grantee, as the case may be) being an Employee on the date of grant, none of the events which would be a ground for termination of employment referred to in (l) below arises prior to the death, the legal personal representative(s) of the grantee shall be entitled within a period of 12 months from the date of death to exercise the option up to the entitlement of such grantee as at the date of death in whole or in part (to the extent which has become exercisable and not already exercised).

*(l) Rights on dismissal*

In the event the grantee (or the beneficial owner of the grantee in the event that the option is granted to a company wholly-owned by a Participant), being an Employee on the date of grant, ceases to be an Employee by reason of the termination of employment on any one or more of the grounds that he has been guilty of misconduct, or has committed an 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 involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Company or the relevant subsidiary of our Group or the relevant Invested Entity, his right to exercise the option shall lapse automatically and become not exercisable (to the extent not already exercised) on the date on which the grantee ceases to be an Employee.

*(m) Effect of alterations to capital*

In the event of any alteration in the capital structure of our Company while any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction (other than an issue of Shares as consideration in respect of a transaction to which our Company is a



**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

party or a placing or subscription of Shares in cash), such corresponding alterations (if any), certified in writing by an independent financial adviser or the auditors of our Company for the time being as fair and reasonable, shall be made in the number of Shares subject to the option so far as unexercised; and/or the subscription price; and/or the maximum number of Shares referred to in sub-paragraph (e) above, provided that no such alteration shall be made so that a Share would be issued at less than its nominal value (and in such circumstances, the subscription price shall be reduced to the nominal value). Any such alteration must be made so that each grantee is given the same proportion of the equity capital of our Company as such grantee was previously entitled. Any adjustment made to the exercise price of, and/or the number of Shares subject to, any options must comply with the Listing Rules and the supplemental guidance issued by the Stock Exchange on 5 September 2005 and any further guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time.

*(n) Rights on a general offer*

If a general or partial offer (whether by way of takeover offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all 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), with the terms of the offer having been approved by any relevant regulatory authority and are in accordance with applicable laws and regulatory requirements and such offer becomes or is declared unconditional prior to the expiry of the option, the grantee (or, as the case may be, his legal personal representatives) shall be entitled to exercise the option in full (to the extent which has become exercisable and not already exercised) at any time within fourteen days after the date on which the offer becomes or is declared unconditional.

*(o) Rights on winding-up*

In the event a notice is given by our Company to our members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall, subject to the provisions of all applicable laws, be entitled to exercise all or any of his options (to the extent which has become exercisable and not already exercised) at any time not later than five business days immediately prior to the date of the proposed general meeting referred to above, issue and allot the relevant Shares to the grantee credited as fully paid, which Shares shall rank pari passu with all other Shares in issue on the date prior to the passing of the resolution to wind-up our Company to participate in the distribution of assets of our Company available in liquidation.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

*(p) Rights on a compromise or arrangement*

In the event of a compromise or arrangement between our Company and our creditors (or any class of them) or between our Company and our members (or any class of them), in connection with a scheme for the reconstruction or amalgamation of our Company, our Company shall give notice thereof to all grantees on the same day as or soon after we give notice of the meeting to our members or creditors to consider such a scheme or arrangement, and thereupon any grantee (or his legal representative(s)) may, forthwith and until the expiry of the period commencing from such date and ending on the earlier of:

- (i) the date falling two calendar months thereafter; or
- (ii) the date on which such compromise or arrangement is sanctioned by Court, exercise his option (to the extent which has become exercisable and not already exercised), but the exercise of the option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. Our Company may thereafter require such grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his option so as to place the grantee in the same position as nearly as possible as would have been the case had such Shares been subject to such compromise or arrangement.

*(q) Lapse of option*

The right to exercise an option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the option period;
- (ii) the date on which the grantee commits a breach of (i) above;
- (iii) the expiry of any of the periods referred to in (g) or (k) above;
- (iv) the date on which the offer (or, as the case may be, revised offer) referred to in (n) above closes;
- (v) subject to (o) above, the date of commencement of the winding-up of our Company;
- (vi) subject to the proposed compromise or arrangement becoming effective, the expiry of the period referred to in (p) above; (vii) the date on which the grantee (or the beneficial owner of the grantee in the event that the option is granted to a company wholly-owned by a Participant) ceasing to be an Employee by reason of (I) above; or

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

(viii) the date on which our Directors shall at their absolute discretion determine that the grantee (other than an Employee) or his associate has committed any breach of contract entered into between the grantee or his associate on the one part and our Group or any Invested Entity on the other part or that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally.

(r) *Ranking of Shares*

The Shares to be issued and allotted upon the exercise of an option will be subject to all provisions of the Articles of Association and the Companies Law for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue as from the day when the name of the grantee is registered on the register of members of our Company and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date when the name of the grantee is registered on the register of members of our Company other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date when the name of the grantee is registered on the register of members of our Company.

Unless the context otherwise requires, reference to "Shares" in this paragraph include shares in the share capital of our Company of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of such shares from time to time of forming part of the ordinary equity share capital of our Company.

(s) *Duration of the Share Option Scheme*

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

Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten years commencing from the date on which the Share Option Scheme becomes effective, after which period no further options shall be granted but the provisions of the Share Option Scheme shall remain in full force and effect in to the extent necessary to give effect to the exercise of the options granted prior thereto.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

*(t) Alterations to the Share Option Scheme*

The Share Option Scheme may be altered from time to time in any respect to the extent allowed by the Listing Rules by a resolution of the Board except that alterations to the provisions of the Share Option Scheme relating to:

- (i) matters set out in Rule 17.03 of the Listing Rules which are to the advantage of grantees or prospective grantees;
- (ii) the terms and conditions of the Share Option Scheme which are of a material nature or the terms of the options granted (except where such alterations take effect automatically under the existing terms of the Share Option Scheme); and
- (iii) the authority of the Board in relation to any alteration to the terms of the Share Option Scheme, must be approved by the Shareholders in general meeting (with all grantees, prospective grantees and their associates abstaining from voting and the votes taken by poll). The amended terms of the Share Option Scheme or the options shall comply with the requirements of Chapter 17 of the Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time).

*(u) Cancellation of options granted*

Any cancellation of options granted but not exercised shall require approval of the Board. Where any option is cancelled and new options are to be issued to the same Participant, the issue of such new options may only be made under the Share Option Scheme with available unissued options (excluding the cancelled options) within the limit approved by Shareholders as set out in (e) above.

*(v) Performance target*

There is no performance target which must be achieved before an option can be exercised under the terms of the Share Option Scheme. However, the Board may offer to grant any options subject to such terms and conditions as the Board may determine in its absolute discretion.

*(w) Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various

assumptions including the exercise price, exercise period, interest rate, expected volatility and other variables. As no option has been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to the [REDACTED].

*(x) Conditions of the Share Option Scheme*

The Share Option Scheme is conditional upon:

- (1) the passing of the necessary resolution by the Shareholder(s), written resolutions to approve and adopt the Share Option Scheme, and to authorise the Board to grant the options thereunder and to allot, issue and deal with the Shares which fall to be issued by our Company pursuant to the exercise of the options under the Share Option Scheme;
- (2) the Stock Exchange granting the [REDACTED], the Shares in issue and to be issued as mentioned herein, and including any Shares to be issued pursuant to the exercise of options under the Share Option Scheme;
- (3) the obligations of the [REDACTED] under the [REDACTED] having become unconditional (including, if relevant, following the waiver of any condition(s)) and the [REDACTED] not being terminated in accordance with the terms therein or otherwise; and
- (4) the commencement of [REDACTED].

**2. Present status of the Share Option Scheme**

No options have been granted or agreed to be granted by our Company under the Share Option Scheme as at the Latest Practicable Date. An application has been made to the Stock Exchange for the approval of the [REDACTED] in, the Shares which may fall to be issued pursuant to the exercise of options under the Share Option Scheme.

**E. OTHER INFORMATION**

**1. Tax and other indemnities**

Each of our Controlling Shareholders has, under the Deed of Indemnity referred to in "B. Further Information about the Business — 1. Summary of Material Contracts" in this Appendix, undertaken to indemnify in favour of our Company in respect of, among other things:

- (a) any taxation falling on any member of our Group resulting from or by reference to any revenue (including any form of government financial assistance, subsidy or rebate), 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 (the "Effective Date"), or any event, transaction, act or omission occurring or deemed to occur on or before the Effective Date whether alone or in conjunction with any other event, act or omission occurring or deemed to occur on or before the Effective Date and whether or not such taxation is chargeable against or attributable to any other person, firm or company;
- (b) all sums, outgoings, fees, demands, claims, damages, losses, costs, charges, liabilities, fines, penalties, payments, suits, and expenses associated, incurred or suffered by our Company or any members of our Group directly or indirectly in connection with any litigation, arbitrations, claims (including counter-claims), complains, demands and/or legal proceedings, whether of criminal, administrative, contractual, tortious nature or otherwise instituted by or against our Company and/or any member of our Group which was issued and/or accused and/or arising from any act, non-performance, omission or otherwise of our Company or any member of our Group on or before the Effective Date as disclosed in this [REDACTED];
- (c) all claims, payments, losses or any other liabilities incurred or suffered by any member of our Group as a result of or arising from any litigation or proceedings against any member of our Group in respect of any matter or act or otherwise of any member of the Group on or before the [REDACTED], including without limitation, the Reorganisation as set out in the section headed "History, Reorganisation and Group Structure — Reorganisation" in this [REDACTED]; and
- (d) any and all of the non-compliance with any applicable laws, rules or regulations by our Company and/or any member of our Group on or before the Effective Date, except that specific provision, reserve or allowance has been made for such liabilities in the audited combined accounts of our Group for the Track Record Period.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

Our Controlling Shareholders, shall be under no liability in respect of, among others, any liability on taxation and taxation claims:

- (a) to the extent that full provision has been made for such taxation in the audited consolidated accounts for any accounting period up to 30 June 2018, as set out in Appendix I to this [REDACTED];
- (b) to the extent that such taxation arises or is incurred as a result of any retrospective change in law or retrospective increase in tax rates coming into force after the [REDACTED];
- (c) to the extent that the liability for such taxation is caused by the act or omission of, or transaction voluntarily effected by, any member of our Group which is/are carried out or effected in the ordinary course of business or in ordinary course of acquiring and disposing of capital assets after the [REDACTED]; or
- (d) to the extent of any provisions or reserve made for taxation in the audited accounts of any member of our Group for the Track Record Period which is finally established to be an over-provision or an excess reserve.

**2. Litigation**

Save as disclosed in the section headed "Business — Legal Proceedings" in this [REDACTED], as at the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance and, so far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened by or against any member of our Group.

**3. Sole Sponsor**

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for a [REDACTED], all the Shares on issue and to be issued as mentioned in this [REDACTED] (including any Shares falling to be issued pursuant to the exercise of the [REDACTED] and the options under the Share Option Scheme).

The Sole Sponsor satisfies the independence criteria applicable to sponsors as set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor's fee is HK\$6.5 million and are payable by our Company.

**4. Preliminary expenses**

The preliminary expenses relating to the incorporation of our Company are estimated to be approximately HK\$46,100 and are payable by our Company.



**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

**5. Promoter**

Our Company has no promoter for the purposes of the Listing Rules. No cash, securities or other benefit has been paid, allotted or given within the two years preceding the date of this [REDACTED] to any promoter of our Company nor is any cash, securities or benefit intended to be paid, allotted or given in connection within the [REDACTED] or the related transactions described in this [REDACTED].

**6. Qualification of experts**

The following are the qualifications of the experts who have given opinion or advice which are contained in this [REDACTED]:

| <b>Name</b>  | <b>Qualifications</b>   |
|--|---|
| Haitong International Capital Limited                | Licensed corporation under the SFO to engaged in type 6 (advising on corporate finance) of the regulated activities |
| Grandall Law Firm (Shanghai)                         | PRC legal advisers  |
| Maples and Calder (Hong Kong) LLP                    | Cayman Islands attorneys-at-law   |
| Frost & Sullivan (Beijing) Inc., Shanghai Branch Co. | Industry Consultant   |
| BDO Limited  | Certified Public Accountants  |

The statements of the experts as mentioned in this paragraph above were dated the date of this [REDACTED] and were made by the experts for incorporation in this [REDACTED].

**7. Consents of experts**

Each of the experts whose names are set out in the paragraph 6 of "Qualification of experts" in this Appendix has given and has not withdrawn its written consent to the issue of this [REDACTED] with the inclusion of its report and/or letter and/or valuation certificate and/or opinion and the references to its name included herein in the form and context in which it is respectively included.

**8. Binding effect**

This [REDACTED] shall have the effect, if an application is made in pursuant hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) so far as applicable.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

**9. Miscellaneous**

- (a) Save as disclosed in this [REDACTED], and, where applicable:
- (iv) within the two years preceding the date of this [REDACTED], no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued or is proposed to be fully or partly paid either for cash or a consideration other than cash;
  - (v) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
  - (vi) within the two years preceding the date of this [REDACTED], no commissions, discounts, [REDACTED] or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
  - (vii) within the two years preceding the date of this [REDACTED], no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of our subsidiaries;
  - (viii) no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued and no amount or benefit had been paid or given within two preceding years or is intended to be paid or given to any promotor.
- (b) None of the persons named in the section headed "Statutory and General Information — E. Other Information — Qualification of experts" in this Appendix is interested beneficially or otherwise in any shares 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 securities in any member of our Group.
- (c) The branch share register 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 Company's share register 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 to CCASS.
- (d) Save as disclosed in this [REDACTED], no company within our Group is presently listed on any stock exchange or traded on any trading system.

**APPENDIX V**

**STATUTORY AND GENERAL INFORMATION**

- (e) Save as disclosed in this [REDACTED], none of our Directors or the persons named under "Qualification of experts" in this Appendix had received any commissions, discounts, [REDACTED] or other special terms or agency fees from our Group in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this [REDACTED].
- (f) Save as disclosed in the Accountants' Report set out in Appendix I to this [REDACTED], there are no related party transactions within the Track Record Period immediately preceding the date of this [REDACTED].
- (g) There is no arrangement under which future dividends are waived or agreed to be waived.

**10. Bilingual [REDACTED]**

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