

**A. FURTHER INFORMATION ABOUT THE ENLARGED GROUP****1. Incorporation**

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 9 September 1999 under the Companies Law. The Company's registered office is at the office of Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman KY1-1111, Cayman Islands. The Company has established a principal place of business in Hong Kong at 22/F, CITIC Tower, 1 Tim Mei Avenue, Central, Hong Kong, and was registered as a non-Hong Kong company in Hong Kong under Part XI of the former Companies Ordinance (Chapter 32 of the Laws of Hong Kong) on 4 November 1999. Mr. Warren Lee, a Proposed Director, will upon Resumption be appointed as the authorised representative of the Company for the acceptance of service of process in Hong Kong.

As the Company was incorporated in the Cayman Islands, its administration is subject to the laws of the Cayman Islands and its constitutional documents comprising the Memorandum and the Articles of Association. A summary of certain provisions of its constitution and relevant aspects of the Companies Law is set out in Appendix IV to this prospectus.

**2. Changes in share capital of the Company**

Pursuant to the approval by the Shareholders at the EGM held on 22 May 2019, the following alterations in the share capital of the Company shall take place:

- (a) the Capital Reorganisation, where (i) the nominal value of each Share will be reduced from HK\$0.10 to HK\$0.01 by cancelling HK\$0.09 from the paid-up capital of each issued Share; (ii) every 10 issued Shares of HK\$0.01 each will be consolidated into one New Share, as a result, 1,001,765,216 Shares of HK\$0.01 each will be consolidated into 100,176,521 New Shares of HK\$0.10 each; (iii) the authorised share capital will be increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 New Shares of HK\$0.10 each; and
- (b) immediately following completion of the YM Subscription, the New Placing and the Public Offer (without taking into account any New Shares which may be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the Share Option Scheme), the authorised share capital of the Company will be HK\$1,000,000,000 divided into 10,000,000,000 New Shares and the issued share capital will be HK\$113,933,019 divided into 1,139,330,190 New Shares, all fully paid or credited as fully paid and 8,860,669,810 New Shares will remain unissued. Other than the allotment and issue of New Shares pursuant to the exercise of any options which may be granted under the Share Option Scheme, there is

no present intention to issue any of the authorised but unissued share capital of the Company and, without the prior approval of the Shareholders in its general meeting, no issue of New Shares will be made which would effectively alter the control of the Company.

Save as aforesaid and as mentioned in the section headed “Share capital” in this prospectus, there has been no other alteration in the share capital of the Company within two years immediately preceding the issue of this prospectus.

### **3. Extraordinary general meeting of the Company held on 22 May 2019**

Pursuant to the extraordinary general meeting of the Company held on 22 May 2019, among others:

- (a) the Company approved and changed its English name from “China Agrotech Holdings Limited” to “Da Yu Financial Holdings Limited”, and adopted and registered the Chinese name “大禹金融控股有限公司” as the dual foreign name of the Company;
- (b) the Company approved and adopted the Memorandum and the Articles of Association with effect from the Resumption Date;
- (c) the Capital Reorganisation was approved, where (i) the nominal value of each Share will be reduced from HK\$0.10 to HK\$0.01 by cancelling HK\$0.09 from the paid-up capital of each issued Share; (ii) every 10 issued Shares of HK\$0.01 each is to be consolidated into one New Share, as a result, 1,001,765,216 Shares of HK\$0.01 each will be consolidated into 100,176,521 New Shares of HK\$0.10 each; and (iii) the authorised share capital is to be increased from HK\$300,000,000 divided into 3,000,000,000 Shares to HK\$1,000,000,000 divided into 10,000,000,000 New Shares of HK\$0.10 each;
- (d) the Acquisition was approved, the Liquidators and the Proposed Directors were authorised to do such acts and things, to sign, execute and deliver all such further documents and to take such steps as it may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the implementation of and giving effect to the Acquisition Agreement and the transactions contemplated thereunder; and
- (e) conditional on the same conditions as stated in the section headed “Structure and conditions of the Public Offer and the Preferential Offering – Conditions of the Public Offer” in this prospectus:
  - (i) the YM Subscription was approved, the Liquidators and the Proposed Directors were authorised to allot and issue the YM Subscription Shares subject to the terms and conditions stated in this prospectus;

- (ii) the New Placing was approved, the Liquidators and the Proposed Directors were authorised to allot and issue the New Placing Shares subject to the terms and conditions stated in this prospectus;
- (iii) the Public Offer was approved, the Liquidators and the Proposed Directors were authorised to allot and issue the Offer Shares subject to the terms and conditions stated in this prospectus; and
- (iv) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “D. Share Option Scheme” in this appendix, were approved and adopted and the board of Directors were authorised to implement the same, grant options to subscribe for New Shares thereunder and to allot, issue and deal with New Shares pursuant thereto and to take all such steps as they consider necessary or desirable to implement the Share Option Scheme including without limitation: (1) administering the Share Option Scheme; (2) modifying and/or amending the Share Option Scheme from time to time provided that such modifications and/or amendments are effected in accordance with the provisions of the Share Option Scheme relating to modifications and/or amendments and the requirements of the Listing Rules; (3) granting options under the Share Option Scheme and allotting and issuing from time to time any New Shares pursuant to the exercise of the options that may be granted under the Share Option Scheme shall not exceed 10% of the total number of New Shares in issue as at the Resumption Date; and (4) making application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any New Shares or any part thereof that may thereafter from time to time be allotted and issued pursuant to the exercise of the options granted under the Share Option Scheme.

#### **4. Reorganisation**

The Group will undergo the reorganisation involving the following major steps:

- (a) upon the Creditors’ Scheme becoming effective, the Group will only comprise the Company; and
- (b) on 24 August 2016, (i) the Vendor as vendor, (ii) the Company as purchaser, and (iii) the Liquidators, entered into the acquisition agreement (as supplemented by the supplemental acquisition agreements dated 7 February 2017, 13 November 2017, 2 October 2018 and 28 December 2018), pursuant to which the Vendor shall sell and the Company shall purchase the entire issued share capital of Yu Ming for the cash consideration of HK\$400 million. Upon Acquisition Completion, Yu Ming will become a direct wholly-owned subsidiary of the Company.

*Changes in share capital of subsidiaries in the Company*

As the Excluded Companies, being all the existing subsidiaries of the Company, will be divested pursuant to the Creditors' Scheme, no information is included in this prospectus regarding the change, if any, in the share capital or registered capital of the Excluded Companies.

There has been no alteration in the share capital or the registered capital of Yu Ming within two years immediately preceding the Latest Practicable Date.

**B. FURTHER INFORMATION ABOUT THE BUSINESS OF THE ENLARGED GROUP****1. Summary of material contracts**

The following material contracts (not being contracts in the ordinary course of business) have been entered into by the Company immediately preceding the date of this prospectus, and are or may be material:

- (i) the Acquisition Agreement dated 24 August 2016 and entered into among the Vendor as vendor, the Company as purchaser and the Liquidators, pursuant to which the Vendor conditionally agreed to sell and the Company conditionally agreed to purchase 10,000,000 shares, representing the entire issued share capital, of Yu Ming for the cash consideration of HK\$400 million;
- (ii) the Supplemental Acquisition Agreement dated 7 February 2017 and entered into among the parties to the Acquisition Agreement, pursuant to which the parties agreed to amend certain terms and conditions of the Acquisition Agreement;
- (iii) the Second Supplemental Acquisition Agreement dated 13 November 2017 and entered into among the parties to the Acquisition Agreement, pursuant to which the parties agreed to further amend certain terms and conditions of the Acquisition Agreement;
- (iv) the Third Supplemental Acquisition Agreement dated 2 October 2018 and entered into among the parties to the Acquisition Agreement, pursuant to which the parties agreed to further amend certain terms and conditions of the Acquisition Agreement;
- (v) the Fourth Supplemental Acquisition Agreement dated 28 December 2018 and entered into among the parties to the Acquisition Agreement, pursuant to which the parties agreed to further amend certain terms and conditions of the Acquisition Agreement;

- (vi) the YM Subscription Agreement dated 28 December 2018 and entered into among the Company as issuer and Mr. Warren Lee and the Yu Ming Team as subscribers, pursuant to which Mr. Warren Lee and the Yu Ming Team have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 227,250,000 Subscription Shares and 57,500,000 Subscription Shares respectively, at the Subscription Price of HK\$0.52 per Subscription Share;
- (vii) the New Placing Agreement dated 28 December 2018 and entered into between the Company and the Placing Agent as placing agent, pursuant to which the Placing Agent has agreed to place 512,698,586 New Placing Shares to not less than ten Independent Placees at the New Placing Price of HK\$0.52 per New Placing Share;
- (viii) the Ms. Chong's Subscription Agreement dated 28 December 2018 and entered into between the Company as issuer and Ms. Chong as subscriber, pursuant to which Ms. Chong has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 512,698,586 Subscription Shares at the Subscription Price of HK\$0.52 per Subscription Share;
- (ix) the termination deed dated 14 June 2019 and entered into between the Company and Ms. Chong, pursuant to which the parties had mutually agreed to terminate the Ms. Chong's Subscription Agreement; and
- (x) the Underwriting Agreement, details of which are set out in the section headed "Underwriting – Underwriting Arrangements and Expenses – Underwriting Agreement" in this prospectus.



Yu Ming did not enter into any contracts (not being contracts in the ordinary course of business) within two years immediately preceding the date of this prospectus, which are or may be material.

## **2. Intellectual property rights**

### **(a) Trademarks**

As at the Latest Practicable Date, the Company did not have any registered trademark in Hong Kong.

As at the Latest Practicable Date, Yu Ming had registered the following trademark in Hong Kong:

Trademark	Trademark number	Name of owner	Class(es)	Registration date	Expiry Date
(A) 	303523086	Yu Ming	35, 36, 41, 42	1 September 2015	31 August 2025
(B) 					

**(b) Domain name**

As at the Latest Practicable Date, the Company did not have any registered domain name.

As at the Latest Practicable Date, Yu Ming had registered the following domain name:

Domain name	Name of assignee	Registration date	Expiry date
<i>ymi.com.hk</i>	Yu Ming	17 May 2007	25 May 2020

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

**1. Interests and short positions of the Proposed Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations**

As at the Latest Practicable Date, so far as is known to the Liquidators, none of the Proposed Directors (save for the YM Subscription) nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares and debentures of the Company which is required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register required to be kept under section 352 of the SFO, or otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

So far as is known to the Liquidators, immediately following completion of the YM Subscription, the New Placing and the Public Offer (without taking into account any New Shares which may be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the Share Option Scheme), the interests and short positions of the Proposed Directors or chief executive of the

Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules, will be as follows:

*Long position in the New Shares*

<b>Name of Proposed Director</b>	<b>Capacity/Nature of interest</b>	<b>Number of New Shares held</b>	<b>Approximate percentage of issued share capital</b>
Mr. Warren Lee ( <i>Note 1</i> )	Beneficial owner	227,250,000	19.9%
Mr. Lam Chi Shing ( <i>Note 2</i> )	Beneficial owner	17,800,000	1.6%
Ms. Li Ming ( <i>Note 3</i> )	Beneficial owner	17,800,000	1.6%

*Notes:*

- (1) Mr. Warren Lee is a Proposed Director and one of the subscribers under the YM Subscription Agreement, pursuant to which he has conditionally agreed to subscribe for 227,250,000 New Shares.
- (2) Mr. Lam Chi Shing is a Proposed Director and one of the subscribers under the YM Subscription Agreement, pursuant to which he has conditionally agreed to subscribe for 17,800,000 New Shares.
- (3) Ms. Li Ming is a Proposed Director and one of the subscribers under the YM Subscription Agreement, pursuant to which she has conditionally agreed to subscribe for 17,800,000 New Shares.

Save as disclosed above, the Liquidators are not aware of any other Proposed Directors or chief executive of the Company who will, immediately following completion of the YM Subscription, the New Placing and the Public Offer (without taking into account any New Shares which may be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the Share Option Scheme), have an interest or short position in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are taken or deemed to have under such provisions of the SFO) or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein, or which will be required to notify to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules.



## 2. Interests and/or short positions of substantial shareholders in the shares or underlying shares of the Company and its associated corporations

As at the Latest Practicable Date, so far as is known to the Liquidators, the following persons (not being Proposed Directors and chief executive of the Company) had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO 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 was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

### *Long position in the Shares*

Name	Capacity/Nature of interest	Number of Shares held	Approximate percentage of issued share capital
Perfect Gate Holdings Limited ( <i>Note</i> )	Beneficial owner	230,000,000	23.0%

*Note:* Based on information as available to the Liquidators and the latest disclosure of interests filed by Perfect Gate Holdings Limited (“Perfect Gate”), as at 7 December 2017, Perfect Gate is a company incorporated in the BVI, which is wholly-owned by Gokeen Invest Limited, a company incorporated in the BVI and Gokeen Invest Limited is owned as to 25% by Xiong Ling, 25% by Chen Rong, 25% by Ng Wai Huen and 25% by Lee On Wai. On 30 August 2017, the Liquidators received a summons from Perfect Gate applying for an order to validate the proposed sale and purchase of the 230,000,000 Shares held by it to (i) Wisdom Link Group Limited as to 46,000,000 Shares; (ii) Treasure Forum Limited as to 46,000,000 Shares; (iii) Perfect Origin Investments Limited as to 46,000,000 Shares; (iv) Classic Sky Global Limited as to 46,000,000 Shares; and (v) True Masters Limited as to 46,000,000 Shares. Pursuant to information provided by Perfect Gate, each of Wisdom Link Group Limited, Treasure Forum Limited, Perfect Origin Investments Limited, Classic Sky Global Limited and True Masters Limited is a company incorporated in the BVI and is wholly-owned by Yu Sau Lai. Such proposed sale and purchase of New Shares had been validated by the court on 2 March 2018. Subject to the completion of the proposed sale and purchase, the relevant voting rights shall be exercisable by Wisdom Link Group Limited, Treasure Forum Limited, Perfect Origin Investments Limited, Classic Sky Global Limited and True Masters Limited as the registered Shareholders. As at the Latest Practicable Date, the Liquidators had not received any notice on the completion of the said proposed sale and purchase nor aware of any circumstances that may affect the accuracy of the above statements.

Save as disclosed above, as at the Latest Practicable Date, the Liquidators were not aware of any other person (not being Proposed Directors and chief executive of the Company) who had an interest or short position in the Shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO 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 was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.



So far as is known to the Proposed Directors, immediately following completion of the YM Subscription, the New Placing, and the Public Offer (without taking into account any New Shares which may be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the Share Option Scheme), no persons (not being Proposed Directors or chief executive of the Company) will have an interest or short position in the shares or underlying shares of the Company and its associated corporations 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 will be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or its associated corporations.

### 3. Particulars of service agreements

Mr. Warren Lee, being one of the Proposed executive Directors, will enter into a service agreement with the Company for an initial term of five years commencing from the date of Acquisition Completion, and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Save for Mr. Warren Lee, each of the Proposed executive Directors, will enter into a service agreement with the Company for an initial term of three years commencing from the date of Acquisition Completion, and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other. Each of the Proposed executive Directors is entitled to their respective director's fee set out in the paragraph headed "C. Further information about Directors, management, staff and experts – 4. Directors' emoluments" in this appendix (subject to such adjustment as recommended by the remuneration committee, and as the Board may determine and approve in its absolute discretion).

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

Save as aforesaid, none of the Proposed Directors has or is proposed to have a service agreement or letter of appointment with the Enlarged Group (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

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

The appointments of the Proposed executive Directors, Proposed non-executive Director and Proposed independent non-executive Directors are subject to the provisions of retirement and rotation of directors under the Articles of Association.

#### 4. Directors' emoluments

- (i) For the three years ended 30 June 2018 and the six months ended 31 December 2018, the aggregate emoluments paid and benefits in kind granted by the Company to the Directors were approximately nil, nil, nil and nil, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by the Company to the Proposed Directors for the year ending 30 June 2019 is expected to be nil.
- (iii) None of the Proposed Directors or any past directors of any member of the Enlarged Group has been paid any sum of money during the Track Record Period, (1) as an inducement to join or upon joining the Company or (2) for loss of office as a director of any member of the Enlarged Group or of any other office in connection with the management of the affairs of any member of the Enlarged Group.
- (iv) There has been no arrangement under which a Proposed Director has waived or agreed to waive any emoluments during the Track Record Period.
- (v) Under the arrangements currently proposed, conditional upon the Resumption, the director's fee (excluding payment pursuant to any existing employment contract, discretionary benefits or bonus or other fringe benefits) payable by the Enlarged Group to each of the Proposed Directors will be as follows:

<b>Proposed executive Directors</b>	<i>HK\$</i>
Mr. Warren Lee	60,000
Mr. Lam Chi Shing	60,000
Ms. Li Ming	60,000
 <b>Proposed non-executive Director</b>	
Mr. Li	60,000
 <b>Proposed independent non-executive Directors</b>	
Mr. Chan Sze Chung	60,000
Mr. Suen Chi Wai	60,000
Mr. Sum Wai Kei Wilfred	60,000

- (vi) Each of the Proposed executive Directors, Proposed non-executive Director and Proposed independent non-executive Directors is entitled to reimbursement of all necessary and reasonable out-of-pocket expenses

properly incurred in relation to all business and affairs carried out by the Enlarged Group from time to time or in discharge of his/her duties to the Enlarged Group under his/her service agreement or letter of appointment.

#### **5. Agency fees or commissions received**

Save for the placing commission, being 1.0% of the aggregate New Placing Price in respect of the New Placing Shares, payable to the Placing Agent under the New Placing, and as disclosed in the section headed “Underwriting – Underwriting arrangements and expenses – Commission and expenses” in this prospectus, within the two years immediately preceding the date in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries.

#### **6. Related party transactions**

Save as disclosed in note 26 to the accountants’ report on Yu Ming set out in Appendix I to this prospectus, the Enlarged Group has not engaged in any other material related party transactions during the Track Record Period.

#### **7. Disclaimers**

Save as disclosed in this prospectus:

- (i) without taking into account any New Shares which may be allotted and issued by the Company pursuant to the exercise of any options which may be granted under the Share Option Scheme, the Proposed Directors are not aware of any person who immediately following completion of the YM Subscription, the New Placing and the Public Offer will have an interest or short position in the New 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, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Enlarged Group;
- (ii) none of the Proposed Directors has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, any interests and short positions in the shares, underlying shares, and debentures of the Company or any associated corporations (within the meaning of the SFO) or any interests which will have to be entered in the register to be kept by the Company pursuant to section 352 of the SFO or which will be required to be notified to the Company and the Stock Exchange pursuant to Appendix 10 of the Listing Rules, once the New Shares are listed on the Stock Exchange;

- (iii) none of the Proposed Directors or the experts named in the paragraph headed “E. Other information – 6. Qualifications of experts” in this appendix has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this prospectus, or which are proposed to be acquired or disposed of by or leased to any member of the Group, nor will any Proposed Director apply for the Offer Shares either in his/her own name or in the name of a nominee;
- (iv) none of the Proposed Directors is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to the business of the Enlarged Group taken as a whole; and
- (v) none of the experts named in the paragraph headed “E. Other information – 6. Qualifications of experts” in this appendix has any shareholding in any company in the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Enlarged Group.

## D. SHARE OPTION SCHEME

### 1. Summary of the terms of the Share Option Scheme

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

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

#### (ii) *Who may join*

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

- (1) any employee (whether full-time or part-time) of the Enlarged Group and any Invested Entity;
- (2) any director (including executive, non-executive and independent non-executive directors) of the Enlarged Group or any Invested Entity;
- (3) any supplier of goods or services to any member of the Enlarged Group or any Invested Entity;
- (4) any customer of the Enlarged Group or any Invested Entity;

- (5) any consultant, adviser, manager, officer or entity that provides research, development or other technological support to the Enlarged Group or any Invested Entity; or
- (6) any person who, in the sole discretion of the Board, has contributed or may contribute to the Enlarged Group or any Invested Entity eligible for options under the Share Option Scheme.

*(iii) Maximum number of New Shares*

- (1) Notwithstanding anything to the contrary herein, the maximum number of New Shares which may be allotted and issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 30% of the total number of New Shares in issue from time to time.
- (2) The total number of New Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 113,933,019 New Shares, being 10% of the total number of New Shares in issue as at the Resumption Date unless the Company obtains the approval of the Shareholders in general meeting for renewing the 10% limit (“**Scheme Mandate Limit**”) under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (3) The Company may seek approval of the Shareholders in general meeting to renew the Scheme Mandate Limit such that the total number of New Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company as “renewed” shall not exceed 10% (“**Renewal Limit**”) of the total number of New Shares in issue as at the date of the approval of the Shareholders on the renewal of the Scheme Mandate Limit, provided that options previously granted under the Share Option Scheme or any other share option schemes of the Company (including options outstanding, cancelled, lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company or exercised options) will not be counted for the purpose of calculating the Renewal Limit.

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

- (4) The Company may seek separate approval of the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the proposed grantee(s) of such option(s) must be specifically identified by the Company before such approval is sought. For the purpose of seeking the approval of the Shareholders, the Company must send a circular 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 options serve such purpose and the information and the disclaimer as required under the Listing Rules.

*(iv) Maximum entitlement of each Eligible Participant*

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

- (1) such further grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting at which the Eligible Participant and his/her/its associates shall abstain from voting;
- (2) a circular regarding the further grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including the identity of the Eligible Participant, the number and terms of the options to be granted and options previously granted to such Eligible Participant); and
- (3) the number and terms (including the exercise price) of such option are fixed before the general meeting of the Company at which the same are approved.

*(v) Grant of options to connected persons*

- (1) The grant of options to a director, chief executive or substantial Shareholder of the Company or any of his/her/its respective associates (including discretionary trust in which any connected persons are beneficiary) requires the approval of all the independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee of the option) and shall comply with the relevant provisions of Chapter 17 of the Listing Rules.

- (2) Where an option is to be granted to a substantial Shareholder or an independent non-executive Director (or any of his/her/its respective associates), and such grant will result in the New Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:
- (a) exceeding 0.1% of the total number of New Shares in issue at the relevant time of grant; and
  - (b) exceeding an aggregate value (based on the closing price of the New Shares on the Stock Exchange on the date of each grant) of HK\$5.0 million, such grant shall not be valid unless:
    - I. a circular containing the details of the grant has been despatched to our Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules, including, in particular, (i) details of the number and terms (including exercise price) of the options to be granted to such connected person, which must be fixed before the Shareholders' meeting and the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purposes of calculating the exercise price, and (ii) a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective grantee of the option) to the independent Shareholders as to voting; and
    - II. the grant has been approved by the Shareholders in general meeting (taken on a poll) at which such person and his/her/its connected persons shall abstain from voting in favour of the grant (unless such connected person's intention to vote against the proposed grant of option has been stated in the relevant circular).

***(vi) Time of acceptance and exercise of an option***

An offer of grant of an option may be accepted by an Eligible Participant within the date as specified in the offer letter issued by the Company, being a date not later than 21 Business Days from the date upon which it is made, by which the Eligible Participant must accept the offer or be deemed to have declined it, provided that such date shall not be more than ten (10) years after the date of adoption of the Share Option Scheme. There is no general requirement on the minimum period for which option must be held before the exercise of any option.



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

*(vii) Performance targets*

Unless otherwise determined by the Board and specified in the offer letter, there is no performance target that has to be achieved before the exercise of any option.

*(viii) Exercise price for New Shares*

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

Where an option is to be granted to an Eligible Participant, the date of the Board meeting at which the grant was proposed shall be taken to be the date of the offer of such option, which must be a Business Day ("**Offer Date**").

*(ix) Ranking of New Shares*

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

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

No option shall be granted after a development of or a matter constituting inside information has been the subject of a decision of the Enlarged Group until such price-sensitive information has been announced pursuant to the requirements of the Listing Rules and the SFO. In particular, during the period commencing one month immediately preceding the earlier of:

- (1) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for the Company to publish an announcement of the results for any year or half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no option shall be granted.

*(xi) Period of the Share Option Scheme*

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

*(xii) Rights on cessation of employment*

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

*(xiii) Rights on death*

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

***(xiv) Rights on a general offer***

In the event of a general or partial offer (whether by way of take-over offer, share repurchase offer, other than by way of scheme of arrangement or otherwise in like manner) being made to all the holders of New Shares, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, and if such offer becomes or is declared unconditional prior to the expiry of the relevant Option Period, a grantee (or his/her personal representative(s)) shall be entitled to exercise his/her/its option in full (to the extent which has become exercisable on the date of the notice of the offer and not already exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

***(xv) Rights on winding-up***

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

***(xvi) Rights on scheme of arrangement***

In the event of a general or partial offer by way of scheme of arrangement is made to all the holders of New Shares and has been approved by the necessary number of holders of New Shares at the requisite meetings, the grantee (or his/her personal representative(s)) may thereafter (but only until such time as shall be notified by the Company, after which it shall lapse) exercise the option (to the extent which has become exercisable and not already exercised) to its full extent or to the extent specified in the grantee's notice to the Company at any time thereafter and the record date for entitlements under the scheme of arrangement.

*(xvii) Rights on compromise or arrangement between the Company and our creditors*

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

*(xviii) Reorganisation of capital structure*

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

- (1) the number and/or nominal amount of New Shares subject to the options already granted so far as they remain exercisable; and/or
- (2) the exercise price; and/or
- (3) the maximum number of New Shares referred to in sub-paragraphs (iii) and (iv) above provided that:

- (aa) no such alteration shall be made in respect of an issue of New Shares or other securities by the Company as consideration in a transaction;
- (bb) any such alterations shall give a grantee the same proportion of the issued share capital of the Company as that to which he/she/it was previously entitled;
- (cc) no such alterations shall be made the effect of which would be to enable any New Share to be issued at less than its nominal value; and
- (dd) any such alterations shall be confirmed by an independent financial adviser or the auditors in writing to the Directors, to be in their opinion fair and reasonable, as satisfying the requirements of provisions referred to in sub-paragraphs (bb) and (cc) above.

***(xix) Cancellation of options***

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

***(xx) Termination of the Share Option Scheme***

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

***(xxi) Rights are personal to grantee***

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

*(xxii) Lapse of option*

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

- (a) the expiry of the Option Period (subject to the provision referred to in sub-paragraph (xx));
- (b) the expiry of the periods referred to in sub-paragraphs (xii), (xiii) or (xvii), where applicable;
- (c) subject to the court of competent jurisdiction not making an order prohibiting the offeror from acquiring the remaining New Shares in the offer, the expiry of the period referred to in sub-paragraph (xiv);
- (d) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in sub-paragraph (xvi);
- (e) the date on which the grantee ceases to be an Eligible Participant by reason of the termination of his/her/its employment or engagement on the grounds that he/she/it has been guilty of misconduct, or has been in breach of a material term of the relevant employment contract or engagement contract, or appears either to be unable to pay or have no reasonable prospect to be able to pay debts, or has committed any act of bankruptcy, or has become insolvent, or has been served a petition for bankruptcy or winding-up, or has made any arrangements or composition with his/her/its creditors generally, or has been convicted of any criminal offence or (if so determined by the Board, the board of the relevant subsidiary or the board of the relevant associated company of the Company, as the case may be) on any other ground on which an employer or a sourcing party would be entitled to terminate his/her/its employment or engagement at common law or pursuant to any applicable laws or under the grantee's service contract or supply contract with the Company, the relevant subsidiary or the relevant associated company of the Company (as the case may be);
- (f) the date of the commencement of the winding-up of the Company referred to in subparagraph (xv);
- (g) the date on which the grantee commits a breach of sub-paragraph (xxi);  
or
- (h) the date on which the option is cancelled by the Board as set out in sub-paragraph (xix).

*(xiii) Alterations to the Share Option Scheme*

- (1) The Share Option Scheme may be altered in any respect to the extent allowed by the Listing Rules by resolution of the Board except that the following alterations must be approved by a resolution of our Shareholders in general meeting:
  - (aa) any changes to the definitions of Eligible Participant, grantee and option period;
  - (bb) any changes to the terms and conditions of the Share Option Scheme to the advantage of the grantees of the options (whereby such grantee and his/her/its associates shall abstain from voting in the general meeting);
  - (cc) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature;
  - (dd) any changes to the terms of options granted; and
  - (ee) any changes to the authority of the Board or scheme administrators in relation to any alteration to the terms of the Share Option Scheme except where such alterations take effect automatically under the existing terms of the Share Option Scheme, provided that: (a) the amended terms of the Share Option Scheme or the options must comply with Chapter 17 of the Listing Rules; and (b) no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction in writing of such majority of grantees as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the New Shares.
- (2) Notwithstanding the other provisions of the Share Option Scheme, the Share Option Scheme may be amended or altered in any respect by resolution of the Board without the approval of the Shareholders or the grantee(s) to the extent such amendment or alteration is required by the Listing Rules or any guidelines issued by the Stock Exchange from time to time.
- (3) The Company must provide to all grantees all details relating to changes in the terms of the Share Option Scheme during the life of the Share Option Scheme immediately upon such changes taking effect.



*(xxiv) Conditions*

The Share Option Scheme is conditional on:

- (a) the Listing Committee granting approval of the listing of, and permission to deal in, the New Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme;
- (b) the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreement or otherwise; and
- (c) the Resumption having taken place.

**2. Present status of the Share Option Scheme***(i) Approval and adoption of the rules of the Share Option Scheme*

The rules of the Share Option Scheme were approved and adopted by the Shareholders at the EGM held on 22 May 2019.

*(ii) Approval of the Stock Exchange required*

The Share Option Scheme is conditional, among other matters, on the Stock Exchange granting the listing of, and permission to deal in, the New Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, which shall not exceed 10% of the total number of New Shares in issue as at the Resumption Date.

*(iii) Application for listing*

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the New Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme. The total number of New Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of the Company shall not exceed 113,933,019 New Shares, being 10% of the total number of New Shares in issue as at the Resumption Date unless the Company obtains the approval of the Shareholders in general meeting for renewing the said 10% limit under the Share Option Scheme provided that options lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of the Company will not be counted for the purpose of calculating the 10% limit mentioned above.

*(iv) Grant of options*

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

(v) *Value of options*

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

**E. OTHER INFORMATION**

**1. Tax and other indemnities**

Upon Acquisition Completion, the Vendor will enter into a deed of indemnity with, among other parties, the Company, pursuant to which the Vendor will indemnify Yu Ming in respect of any and all taxation falling on Yu Ming resulting from or by reference to any income, profits, gains earned, accrued or received on or before the date of Acquisition Completion or any event or transaction entered into or occurring on or before the date of Acquisition Completion whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company.

The indemnity contained above shall not apply to taxation falling on Yu Ming in respect of its current accounting periods or any accounting period commencing on or after the date of Acquisition Completion unless liability for such taxation would not have arisen but for some act or omission of, or transaction voluntarily effected by, Yu Ming (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Vendor other than any such act, omission or transaction:

- (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the date of Acquisition Completion; or
- (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the date of Acquisition Completion; or
- (iii) consisting of Yu Ming ceasing, or being deemed to cease, to be a member of any group of companies or being associated with any other company for the purposes of any matter of taxation.

The Proposed Directors have been advised that no material liability for estate duty would be likely to fall upon any member of the Enlarged Group.

## 2. Litigation

The Company received a winding up petition dated November 2014 filed by Concept Capital Management Limited with the High Court against the Company. On 9 February 2015, the Company was ordered to be wound up and the Official Receiver was appointed as the provisional liquidator of the Company. On 17 August 2015, Mr. Stephen Liu Yiu Keung and Mr. David Yen Ching Wai of Ernst & Young Transactions Limited were appointed as joint and several liquidators of the Company pursuant to an Order of the High Court. Pursuant to an order of the Grand Court granted on 19 September 2017, the Liquidators were recognised by the Grand Court to act for and on behalf of the Company for the petition of the Capital Reduction and the Creditors' Scheme in the Grand Court.

Following the winding up petition dated 11 November 2014, the Company was wound up, creditors submitted claims against the Company. Save as disclosed, as at the Latest Practicable Date, the Company was not engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to the Liquidators to be pending or threatened by or against the Company.

Save as disclosed in the section headed "Business of Yu Ming – Litigation and disciplinary actions – Litigation" in this prospectus, as at the Latest Practicable Date, Yu Ming was not engaged in any litigation, claim or arbitration of material importance and no litigation, claim or arbitration of material importance is known to the Proposed Directors to be pending or threatened against Yu Ming.

## 3. Sponsor

The Sponsor has made an application on behalf of the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares in issue and to be issued as mentioned in this prospectus, including any New Shares which may fall to be allotted and issued pursuant to the exercise of any options which may be granted under the Share Option Scheme, on the Stock Exchange.

The Sponsor satisfies the independence criteria applicable to sponsors under Rule 3A.07 of the Listing Rules. The Sponsor is entitled to the sponsor's fee in the amount of HK\$4,800,000.

## 4. Preliminary expenses

The preliminary expenses of the Company are approximately HK\$52.3 million and are payable by the Company.

**5. Promoter**

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

**6. Qualifications of experts**

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

<b>Name</b>	<b>Qualifications</b>
Emperor Capital Limited	licensed corporation holding a licence to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
BDO Limited	Certified Public Accountants
ZHONGHUI ANDA CPA Limited	Certified Public Accountants
Harney Westwood & Riegels	Cayman Islands attorneys-at-law
Michael Li & Co.	Legal advisers as to Hong Kong laws

**7. Consents of experts**

Each of the experts named in the paragraph headed “E. Other information – 6. Qualifications of experts” in this appendix has given and has not withdrawn its respective written consent to the issue of this prospectus with copies of its reports and/or letters and/or opinions and/or the references to its name included herein in the form and context in which they are respectively included.

None of the experts named in the paragraph headed “E. Other information – 6. Qualifications of experts” in this appendix has any shareholding interests in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

**8. Binding effect**

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

**9. Share registrar**

The Company's principal register of members will be maintained in the Cayman Islands by the Principal Share Registrar, Conyers Trust Company (Cayman) Limited, and a register of members will be maintained in Hong Kong by the Hong Kong Branch Share Registrar, Hong Kong Registrars Limited. Unless the board of Directors otherwise agree, all transfers and other documents of title of the New Shares must be lodged for registration with and registered by the Company's branch share registrar in Hong Kong and may not be lodged in the Cayman Islands.

**10. Bilingual prospectus**

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

**11. Miscellaneous**

Save as disclosed in this prospectus:

- (a) within the two years immediately preceding the date of this prospectus:
  - (i) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
  - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of the Company or any of its subsidiaries;
  - (iii) no commission has been paid or payable (except to sub-underwriter) for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any New Shares or debentures in the Company; and
  - (iv) no founder, management or deferred shares or any debentures in the Company or any of its subsidiaries have been issued or agreed to be issued;
- (b) no share, warrant or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

- (c) none of the equity and debt securities of the Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (d) all necessary arrangements have been made enabling the New Shares to be admitted into CCASS;
- (e) the Company has no outstanding convertible debt securities;
- (f) the Proposed Directors confirm that none of them shall be required to hold any New Shares by way of qualification and none of them has any interest in the promotion of the Company;
- (g) the Proposed Directors confirm that there has been no material adverse change in the financial or trading position or prospects of Yu Ming since 31 December 2018 (being the date to which the latest audited financial statements of Yu Ming were made up);
- (h) there has not been any interruption in the business of the Enlarged Group which may have or have had a significant effect on the financial position of the Enlarged Group in the 12 months immediately preceding the date of this prospectus;
- (i) there are no arrangements in existence under which future dividends are to be or agreed to be waived; and
- (j) there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.