

A. FURTHER INFORMATION ABOUT OUR GROUP**1. Incorporation of our Company**

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 28 September 2017.

Our Company was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 20 March 2019 and the principal place of business in Hong Kong is 10th Floor, Block A, Chung Mei Centre, 15 Hing Yip Street, Kwun Tong, Kowloon, Hong Kong. In connection with such registration, our Company has appointed Mr. Chan and Mr. Chiu as the authorised representatives for the acceptance of service of process and notices on our Company's behalf in Hong Kong.

As our Company was incorporated in the Cayman Islands, it is subject to the Companies Law and our constitution, which comprises the Memorandum and the Articles. A summary of the relevant aspects of the Companies Law and certain provisions of the Articles is set out in Appendix III to this prospectus.

2. Changes in the share capital of our Company

- (a) As at the date of incorporation, the authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each. Upon incorporation, one subscriber Share in our Company with a par value of HK\$0.01 was allotted and issued as fully paid to a nominee subscriber, who on the same day transferred the said one Share to Tunbow Investments (BVI) for a consideration of HK\$0.01.
- (b) On 28 September 2017, our Company allotted and issued 10,174 Shares as fully paid to Tunbow Investments (BVI). Tunbow Investments (BVI) then held 10,175 Shares, representing the entire issued share capital of our Company.
- (c) On 9 October 2017, our Company allotted and issued 17 Shares, 119 Shares, 153 Shares, 153 Shares, 187 Shares, 187 Shares and 187 Shares as fully paid to Innoinvest Limited, Mr. Lee Pak Man, Mr. Poon Ching Ching, Kelvin, Mr. Chiu, Mr. Chan, Ms. Tang and Mr. Yu respectively. After such allotment, our Company was owned as to 91.03% by Tunbow Investments (BVI), 0.15% by Innoinvest Limited, 1.07% by Mr. Lee Pak Man, 1.37% by Mr. Poon Ching Ching, Kelvin, 1.37% by Mr. Chiu, 1.67% by Mr. Chan, 1.67% by Ms. Tang and 1.67% by Mr. Yu, respectively.
- (d) On 3 October 2019, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares to HK\$40,000,000 divided into 4,000,000,000 Shares by the creation of an additional 3,962,000,000 Shares. Each Share shall rank equally in respect of all the existing Shares in issue.

Immediately after completion of the Capitalisation Issue and the Share Offer, the authorised share capital of our Company will be HK\$40,000,000 divided into 4,000,000,000 Shares, of which 400,000,000 Shares will be allotted and issued fully paid or credited as fully paid and

3,600,000,000 Shares will remain unissued (without taking into account any Share to be allotted and issued upon the exercise of the Over-allotment Option and any option which may be granted under the Share Option Scheme).

Other than pursuant to the general mandate to allot and issue Shares as referred to in the paragraphs headed “6. Written resolutions of our Shareholders passed on 3 October 2019” and “7. Repurchase of our Shares” under this appendix, the exercise of the Over-allotment Option and any option which may be granted under the Share Option Scheme, our Directors do not have any present intention to allot and issue any of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in a general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this appendix and the section headed “History, development and Reorganisation — Reorganisation” in this prospectus, there has been no alteration in our Company’s share capital since its incorporation.

3. Reorganisation

Our Group underwent the Reorganisation in preparation for the Listing. Further details are set out in the section headed “History, development and Reorganisation — Reorganisation” in this prospectus.

4. Changes in the share capital of the subsidiaries of our Company

The subsidiaries of our Company are listed in the Accountants’ Report, the text of which is set out in Appendix I to this prospectus.

Save as disclosed in the section headed “History, development and Reorganisation — Reorganisation” in this prospectus, there has been no alteration in the share capital or registered capital of the subsidiaries of our Company within the two years immediately preceding the date of this prospectus.

5. Further information about our Group’s PRC establishment

We have interests in the registered capital of one PRC subsidiary. A summary of the corporate information of such PRC subsidiary as at the Latest Practicable Date is set out as follows:

登輝電器(惠州)有限公司(Town Ray (Huizhou))

(i)	Date of establishment:	14 December 2017
(ii)	Nature:	Wholly foreign-owned enterprise
(iii)	Registered owner:	Town Ray Hong Kong
(iv)	Total investment:	HK\$30,000,000
(v)	Registered capital:	HK\$30,000,000
(vi)	Attributable interests to our Group:	100%
(vii)	Term of operation:	14 December 2017 to 31 December 2037

6. Written resolutions of our Shareholders passed on 3 October 2019

Written resolutions of our Shareholders were passed on 3 October 2019 approving, amongst others, the following:

- (a) the Memorandum and the Articles were adopted as the memorandum of association and articles of association of our Company;
- (b) the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$40,000,000 divided into 4,000,000,000 Shares of HK\$0.01 each by the creation of additional 3,962,000,000 Shares of HK\$0.01 each, all of which shall rank equally in all respects with the existing Shares in issue; and
- (c) conditional upon the same conditions to be satisfied and/or waived as stated in the section headed “Structure and conditions of the Share Offer” in this prospectus:
 - (i) the Share Offer and the grant of the Over-allotment Option by our Company were approved and our Directors were authorised to (aa) allot and issue the Offer Shares and the Shares as may be required to be allotted and issued upon the exercise of the Over-allotment Option on and subject to the terms and conditions stated in this prospectus and in the relevant Application Forms; (bb) implement the Share Offer and the listing of Shares on the Main Board; and (cc) do all things and execute all documents in connection with or incidental to the Share Offer and the Listing with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;
 - (ii) conditional upon the share premium account of our Company being credited as a result of the Share Offer, our Directors were authorised to capitalise the amount of HK\$2,999,888.22 from the amount standing to the credit of the share premium account of our Company by applying such sum to pay up in full at par a total of 299,988,822 Shares for allotment and issue to the holders of Shares whose names appear on the register of members of our Company at the close of business on 3 October 2019, or as each of them may direct in writing, in proportion (or as near as possible without involving the issue of fractions of Shares) to their then existing respective shareholdings in our Company and the Shares to be allotted and issued pursuant to this resolution shall rank equally in all respects with the then existing Shares in issue;
 - (iii) the rules of the Share Option Scheme were approved and adopted and our Board or any committee thereof established by our Board was authorised, at its sole discretion, to (aa) administer the Share Option Scheme; (bb) modify or amend the rules of the Share Option Scheme from time to time as may be acceptable or not objected to by the Stock Exchange; (cc) grant options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of subscription rights attaching to any option(s) granted thereunder; and (dd) take all such actions as it considers necessary or desirable to implement or give effect to the Share Option Scheme;

- (iv) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment and issue of Shares in lieu of the whole or in part of any cash dividend in accordance with the Articles, or pursuant to, or in consequence of, the Capitalisation Issue, the Share Offer, the exercise of the Over-allotment Option or any option which may be granted under the Share Option Scheme Shares in aggregate not exceeding (1) 20% of the total number of Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised) and without taking into account any Share that may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme); and (2) the total number of Shares in issue which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in sub-paragraph (v) below, until the conclusion of the next annual general meeting, or the date by which the next annual general meeting is required by the Articles or any applicable law(s) to be held, or the passing of an ordinary resolution by our Shareholders in a general meeting revoking, renewing or varying the mandate given to our Directors, whichever occurs first; and
- (v) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to repurchase, on the Stock Exchange and/or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose in accordance with all applicable laws and requirements of the Stock Exchange (or of such other stock exchange), Shares in aggregate not exceeding 10% of the total number of Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised and without taking into account any Share that may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme), until the conclusion of our Company's next annual general meeting, or the date by which the next annual general meeting is required by the Articles or any applicable law(s) to be held, or the passing of an ordinary resolution by Shareholders in a general meeting revoking, renewing or varying the mandate given to our Directors, whichever occurs first;
- (vi) a general unconditional mandate mentioned in sub-paragraph (iv) above was extended by the addition to the total number of Shares in issue which may be allotted and issued or agreed (conditionally or unconditionally) to be allotted or issued by our Directors pursuant to such general mandate of an amount representing the total number of Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (v) above, provided that such extended amount shall not exceed 10% of the total number of Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer

(assuming the Over-allotment Option is not exercised and without taking into account any Share to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme).

7. Repurchase of our Shares

This paragraph sets out information required by the Stock Exchange to be included in this prospectus concerning the repurchase by our Company of its own securities.

(a) *Provisions of the Listing Rules*

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

(i) *Shareholders' approval*

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

Note:

Pursuant to the written resolutions of all Shareholders passed on 3 October 2019, conditional upon the same conditions to be satisfied and/or waived as stated in the section headed “Structure and conditions of the Share Offer” in this prospectus, a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all the powers of our Company to repurchase, on the Stock Exchange and/or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose in accordance with all applicable laws and requirements of the Stock Exchange (or of such other stock exchange), Shares in aggregate not exceeding 10% of the total number of Shares in issue immediately after completion of the Capitalisation Issue and the Share Offer (assuming the Over-allotment Option is not exercised and without taking into account any Share to be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme). The Repurchase Mandate will remain effective until the conclusion of the next annual general meeting of our Company, or the date by which our next annual general meeting is required by the Articles or any applicable law(s) to be held, or the passing of an ordinary resolution by our Shareholders in a general meeting revoking, renewing or varying the mandate given to our Directors, whichever occurs first.

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum, the Articles, the Listing Rules and the applicable laws of Hong Kong and the Companies Law. A listed company must not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Subject to the foregoing, any repurchases by our Company may be made out of profits of our Company, out of share premium, or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, subject to the Companies Law, out of capital. Any amount of premium payable on the purchase over the par value of the

shares to be repurchased must be out of profits of our Company, out of our share premium account before or at the time our Shares are repurchased, or, subject to the Companies Law, out of capital.

(iii) Trading restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange.

Further, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding days on which its shares were traded on the Stock Exchange.

In addition, the Listing Rules prohibits a listed company from repurchasing its securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of repurchased shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed. Under the Companies Law, a company's repurchased shares may be treated as cancelled and, if so cancelled, the amount of that company's issued share capital shall be reduced by the aggregate nominal value of the repurchased shares accordingly although the authorised share capital of the company will not be reduced.

(v) Suspension of repurchase

A listed company may not make any repurchase of securities after inside information has come to its knowledge until the inside information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (aa) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (bb) the deadline for publication of an announcement of a listed company's 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, the listed company

may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchases, where relevant, and the aggregate prices paid.

(vii) Connected parties

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a "core connected person", which includes a director, chief executive or substantial shareholder of the company or any of its subsidiaries or an associate of any of them and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for repurchase

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

(c) Funding of repurchase

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

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

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Share to our Company or our Company's 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, the Articles and the applicable laws of Hong Kong and the Cayman Islands.

If, as a result of a repurchase of Shares, a Shareholder's proportionate interest in our Company's voting rights increases, such increase will be treated as an acquisition for the purposes 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 our 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. Save as aforesaid, our Directors are not aware of any consequence which would arise under the Takeovers Code as a result of any repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase 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 such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

Our Company have not made any repurchases of its securities since its incorporation.

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

B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

1. Summary of material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of our Group within the two years immediately preceding the date of this prospectus and are or may be material:


- (a) a sale and purchase agreement dated 28 December 2017 entered into between Tunbow Investments (BVI) (as vendor) and Town Ray Development (as purchaser) relating to the sale and purchase of the entire issued share capital of Tunbow Group in consideration of HK\$1.00 from Tunbow Investments (BVI);
- (b) a business transfer agreement dated 21 August 2018 entered into between Tunbow (Huizhou) and Town Ray (Huizhou) relating to the transfer of design, manufacture and sale of household appliances business including, amongst others, customers, suppliers and information relating to customers and suppliers from Tunbow (Huizhou) to Town Ray (Huizhou) at a consideration of RMB1.00;

- (c) a transfer agreement dated 1 October 2018 entered into between Tunbow (Huizhou) and Town Ray (Huizhou) relating to the transfer of machines from Tunbow (Huizhou) to Town Ray (Huizhou) at a total consideration of RMB20,822,063.37;
- (d) a transfer agreement dated 1 November 2018 entered into between Tunbow (Huizhou) and Town Ray (Huizhou) relating to the transfer of moulds from Tunbow (Huizhou) to Town Ray (Huizhou) at a total consideration of RMB12,630,090.80;
- (e) a transfer agreement dated 1 November 2018 entered into between Tunbow (Huizhou) and Town Ray (Huizhou) relating to the transfer of machines from Tunbow (Huizhou) to Town Ray (Huizhou) at a total consideration of RMB396,957.74;
- (f) the Deed of Indemnity;
- (g) the deed of non-competition dated 3 October 2019 executed by our Controlling Shareholders in favour of our Company (for itself and as trustee for our subsidiaries) regarding certain non-competition undertakings; and
- (h) the Public Offer Underwriting Agreement.

2. Intellectual property rights

(a) Trademark

As at the Latest Practicable Date, our Group had registered the following trademark in Hong Kong which is, in the opinion of our Directors, material to our Group's business:

Trademark	Registered owner	Classes	Trademark number	Registration date	Expiry date
	Town Ray Hong Kong	7, 8 and 11	304747195	26 November 2018	25 November 2028

(b) Patents

As at the Latest Practicable Date, our Group had been granted the following patents which are, in the opinion of our Directors, material to our Group's business:

No.	Patent	Registered owner	Type	Place of registration	Patent number	Application date	Expiry date
1.	Flatiron (一種熨斗)	Tunbow Group	Utility model	PRC	ZL201720306305.4	27 March 2017	26 March 2027
2.	Cooking ware (一種煮食器)	Tunbow Group	Utility model	PRC	ZL201420815956.2	18 December 2014	17 December 2024
3.	A prevent superheater for electrical equipment and electrical equipment thereof (一種用於電器設備的防過熱裝置及其電器設備)	Tunbow Group	Utility model	PRC	ZL201720988109.X	8 August 2017	7 August 2027
4.	Steam ironing equipment (一種蒸氣熨衣設備)	Tunbow Group	Utility model	PRC	ZL201621491748.7	30 December 2016	29 December 2026

No.	Patent	Registered owner	Type	Place of registration	Patent number	Application date	Expiry date
5.	Steam clothes ironing equipment and water pump thereof (蒸氣熨衣設備及其水泵)	Tunbow Group	Utility model	PRC	ZL201721042805.8	18 August 2017	17 August 2027
6.	Vapour equipment (一種蒸氣設備)	Tunbow Group	Utility model	PRC	ZL201721256003.7	27 September 2017	26 September 2027
7.	Brewing unit of coffee machine (咖啡機的沖泡單元)	Tunbow Group	Invention	PRC	ZL200910174566.5	30 September 2009	29 September 2029
8.	Filter assembly for an espresso coffee machine, and method (濃縮咖啡機的過濾裝置和方法)	Tunbow Group	Invention	PRC	ZL200880017144.0	7 July 2008	6 July 2028
9.	Steam electric iron device (蒸氣電熨斗設備)	Tunbow Group	Utility model	PRC	ZL201420177619.5	11 April 2014	10 April 2024
10.	Flatiron (一種熨斗)	Tunbow Group	Utility model	PRC	ZL201721113745.4	31 August 2017	30 August 2027
11.	Steam iron (熨斗)	Tunbow Group	Utility model	PRC	ZL201621389907.2	16 December 2016	15 December 2026
12.	Electrical apparatus and control panel thereof (一種電器及其控制面板)	Tunbow Group	Utility model	PRC	ZL201721191995.X	15 September 2017	14 September 2027
13.	Iron and locking device (一種燙斗及鎖扣裝置)	Tunbow Group	Utility model	PRC	ZL201520039714.3	20 January 2015	19 January 2025
14.	Liquid heating device (一種液體加熱裝置)	Tunbow Group	Utility model	PRC	ZL201520714949.8	15 September 2015	14 September 2025
15.	Hand-held type flatiron (手持式熨斗)	Tunbow Group	Utility model	PRC	ZL201621037240.X	5 September 2016	4 September 2026
16.	Flatiron (一種熨斗)	Tunbow Group	Utility model	PRC	ZL201621120021.8	13 October 2016	12 October 2026
17.	Steam clothes ironing equipment and evaporimeter thereof (蒸氣熨衣設備及其蒸發器)	Tunbow Group	Utility model	PRC	ZL201621491733.0	30 December 2016	29 December 2026
18.	Clothes ironing board and cross line frame thereof (熨衣板及其過線架)	Tunbow Group	Utility model	PRC	ZL201720285644.9	22 March 2017	21 March 2027
19.	Beverage machine and outlet device thereof (一種飲料機及其出口裝置)	Tunbow Group	Utility model	PRC	ZL201720429111.3	21 April 2017	20 April 2027
20.	Full-automatic coffee maker (一種全自動咖啡機)	Tunbow Group	Utility model	PRC	ZL201720515026.9	10 May 2017	9 May 2027
21.	Steam generator iron (一種蒸氣發生器)	Tunbow Group	Utility model	PRC	ZL201721102895.5	30 August 2017	29 August 2027
22.	Garment steamer (一種掛燙機)	Tunbow Group	Utility model	PRC	ZL201721311597.7	11 October 2017	10 October 2027
23.	Flatiron with function is collected to incrustation scale (一種具有水垢收集功能的熨斗)	Tunbow Group	Utility model	PRC	ZL201721430503.8	31 October 2017	30 October 2027
24.	Adjustable steam volume steam iron (一種可調蒸氣量蒸氣熨斗)	Tunbow Group	Utility model	PRC	ZL201721441594.5	1 November 2017	31 October 2027
25.	Flatiron (一種熨斗)	Tunbow Group	Utility model	PRC	ZL201721565942.X	16 November 2017	15 November 2027
26.	Iron and bottom plate thereof (一種燙斗及其底板)	Tunbow Group	Utility model	PRC	ZL201721589011.3	23 November 2017	22 November 2027
27.	Iron (一種燙斗)	Tunbow Group	Invention	PRC	ZL201510053719.6	2 February 2015	1 February 2035

(c) Domain names

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

No.	Domain name	Registered owner	Registration date	Expiry date
1.	townray.com	Town Ray Hong Kong	10 September 2018	10 September 2020
2.	tunbow.com	Tunbow Group	14 May 1998	13 May 2022

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

(a) Interests and short positions of our Directors and chief executives of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations after completion of the Capitalisation Issue and the Share Offer

Immediately after the completion of the Capitalisation Issue and the Share Offer (without taking into account any Share to be allotted and issued upon the exercise of the Over-allotment Option and any option which may be granted under the Share Option Scheme), the interests or short positions of our Directors and chief executives of our Company in the Shares, underlying Shares or debentures of our Company or any of the associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions 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 as referred to therein, or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Name of Director/ chief executive	Capacity/Nature of interest	Number of Shares (Note 1)	Approximate percentage of shareholding
Dr. Chan	Interest in a controlled corporation (Note 2) Interest of spouse (Note 3)	213,640,000 (L)	53.41%
Ms. Cheng	Interest in a controlled corporation (Note 2) Interest of spouse (Note 3)	213,640,000 (L)	53.41%
Mr. Chan	Beneficial owner	5,000,000 (L)	1.25%
Mr. Chiu	Beneficial owner	5,000,000 (L)	1.25%
Ms. Tang	Beneficial owner	5,000,000 (L)	1.25%
Mr. Yu	Beneficial owner	5,000,000 (L)	1.25%

Notes:

- (1) The letter “L” denotes a person’s “long position” (as defined under Part XV of the SFO) in such Shares.
- (2) 213,640,000 Shares will be registered in the name of Modern Expression, which is wholly-owned by Dr. Chan and Ms. Cheng jointly. Under the SFO, each of Dr. Chan and Ms. Cheng is deemed to be interested in all the Shares registered in the name of Modern Expression.
- (3) Ms. Cheng is the spouse of Dr. Chan. Each of Dr. Chan and Ms. Cheng is deemed to be interested in all the Shares in which his or her spouse is interested under the SFO.

(b) Interests and/or short positions of our Substantial Shareholders under the SFO.

Please refer to the section headed “Substantial Shareholders” in this prospectus for details of the persons (other than a Director or a chief executive of our Company)/corporations who/which will have an interest or short position in our Shares and underlying Shares which would fall to be disclosed to our Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or who/which is, directly or indirectly, to be interested in 10% or more of the issued voting shares of any other member of our Group.

Our Directors are not aware of any persons who will immediately after completion of the Share Offer and the Capitalisation Issue (without taking into account any Share that may be allotted and issued upon the exercise of the Over-allotment Option and any option that may be granted under the Share Option Scheme) have a notifiable interest (for the purposes of the SFO) in our Shares or, having such a notifiable interest, have any short positions (within the meaning of the SFO) in our Shares, other than those as disclosed above.

2. Particulars of Directors’ service agreements and appointment letters

(a) Executive Directors

Each of our executive Directors has entered into a service agreement with our Company for an initial fixed term of three years commencing from the Listing Date. The term of service shall be renewed and extended automatically by three years on the expiry of such initial term and on the expiry of every successive period of three years thereafter, unless terminated by either party thereto giving at least six months’ written notice of non-renewal before the expiry of the then existing term.

(b) Non-executive Director and Independent non-executive Directors

Each of the non-executive Directors has entered into an appointment letter with our Company for an initial fixed term of one year commencing from the Listing Date. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term and on the expiry of every successive period of one year thereafter, unless terminated by either party thereto giving at least two months’ written notice of non-renewal before the expiry of the then existing term. Save as disclosed in this prospectus, none of our Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of our Group (excluding agreements expiring or determinable by any member of our Group within one year without the payment of compensation other than statutory compensation).

3. Remuneration of our Directors

During FY2016, FY2017, FY2018 and 4M2019, the aggregate emoluments paid and benefits in kind granted by our Group to our Directors were approximately HK\$4.6 million, HK\$12.6 million, HK\$5.6 million and HK\$1.8 million, respectively.

During each of FY2016, FY2017, FY2018 and 4M2019, the aggregate of contributions to pension schemes for our Directors were approximately HK\$0.1 million, HK\$0.1 million, HK\$0.1 million and HK\$36,000, respectively.

During each of FY2016, FY2017, FY2018 and 4M2019, the aggregate of bonuses paid to or receivable by our Directors which are discretionary or are based on our Company's, our Group's or any member of our Group's performance were approximately HK\$0.3 million, HK\$0.3 million, HK\$0.3 million and nil, respectively.

Under the arrangements currently in force, our Company estimates that the aggregate remuneration (excluding discretionary bonus) payable to, and benefits in kind receivable by, our Directors for FY2019 will be approximately HK\$6.8 million.

None of our Directors or any past director(s) of any member of our Group has been paid any sum of money for each of FY2016, FY2017, FY2018 and 4M2019 (a) as an inducement to join or upon joining our Company; or (b) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.

There has been no arrangement under which a Director has waived or agreed to waive any emolument for each of FY2016, FY2017, FY2018 and 4M2019.

Under the arrangements currently proposed, conditional upon the Listing, the basic annual remuneration (excluding payment pursuant to any discretionary benefit or bonus or other fringe benefits) payable by our Company to each of our Directors will be as follows:

	<i>HK\$'000</i>
Executive Directors	
Mr. Chan	1,340
Mr. Chiu	1,400
Ms. Tang	920
Mr. Yu	880
Non-executive Directors	
Dr. Chan	1,080
Ms. Cheng	1,080
Independent non-executive Directors	
Mr. Chan Ping Yim	180
Mr. Choi Chi Leung Danny	180
Mr. Chan Shing Jee	180

Each of the executive Directors and 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 our Company from time to time or for providing services to our Company or executing their functions in relation to our Company's business and operations. Save as disclosed in this prospectus, no other emoluments have been paid or are payable, in respect of each of FY2016, FY2017, FY2018 and 4M2019 by our Company to our Directors.

4. Related Party Transactions

Details of the related party transactions are set out under Note 33 to the Accountants' Report set out in Appendix I to this prospectus.

5. Disclaimers

Save as disclosed in this prospectus:

- (a) none of our Directors or chief executive has any interest or short position in any of the Shares, underlying Shares or debentures of our Company or any of the associated corporation (within the meaning of Part XV of the SFO), immediately after the completion of the Capitalisation Issue and the Share Offer, without taking into account any Share to be allotted and issued upon the exercise of the Over-allotment Option and any option which may be granted under the Share Option Scheme, which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any of them is 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 as referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, in each case once our Shares are listed;
- (b) our Directors are not aware of any person (other than our Directors or the chief executive of our Company) who will, immediately after the completion of the Capitalisation Issue and the Share Offer (without taking into account any Share to be allotted and issued upon the exercise of the Over-allotment Option and any option which may be granted under the Share Option Scheme) have an interest or short position in the Shares or underlying Shares which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (c) none of our Directors or the experts under the paragraph headed "E. Other information — 7. Qualifications of experts" in this appendix below has been directly or indirectly interested in the promotion of, or in any asset(s) which has or have been, within the two years immediately preceding the date of this prospectus, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (d) none of our Directors nor the experts named under the paragraph headed “E. Other information — 7. Qualifications of experts” in this appendix below is materially interested in any contract or arrangement subsisting at the date of this prospectus which is significant in relation to our Company’s business;
- (e) none of the experts named under the paragraph headed “E. Other information — 7. Qualifications of experts” in this appendix below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; and
- (f) so far as is known to our Directors, none of our Directors, their respective close associates or Shareholders who are interested in more than 5% of the share capital have any interests in the five largest customers or the five largest suppliers of our Group.

D. SHARE OPTION SCHEME

1. Summary of terms of the Share Option Scheme

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to the eligible participants as incentive or rewards for their contribution to our Group and/or to enable our Group to recruit and retain high-calibre employees and attract human resources that are valuable to our Group or any entity in which any member of our Group holds any equity interest (the “**Invested Entity**”). As at the Latest Practicable Date, there is no “Invested Entity” other than members of our Group, and our Group has not identified any potential “Invested Entity” for investment.

(b) Who may join

Our Directors shall, in accordance with the provisions of the Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of 10 years commencing from the date of the adoption of the Share Option Scheme to make an offer to any of the following classes:

- (i) any employee (whether full time or part time, including our Directors (including any non-executive Director and independent non-executive Director)) of our Company, any of its subsidiaries (within the meaning of the Companies Ordinance) or any Invested Entity (an “**eligible employee**”);
- (ii) any supplier of goods or services to any member of our Group or any Invested Entity;
- (iii) any customer of any member of our Group or any Invested Entity;
- (iv) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;

- (v) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (vi) any adviser (professional or otherwise), consultant, individual or entity who in the opinion of our Directors has contributed or will contribute to the growth and development of our Group; and
- (vii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group.

and, for the purpose of the Share Option Scheme, the offer for the grant of an option may be made to any company wholly owned by one or more eligible participants.

For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who falls within any of the above classes of eligible participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme. The eligibility of any of the eligible participants to an offer shall be determined by our Directors from time to time on the basis of our Directors' opinion as to such eligible participant's contribution to the development and growth of our Group.

(c) *Maximum number of Shares*

- (i) The maximum 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 shall not exceed 30% of the share capital of our Company in issue from time to time.
- (ii) The total number of Shares which may be allotted and issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Group) 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 (assuming the Over-allotment Option and the Share Option Scheme are not exercised) in issue at the time dealings in our Shares first commence on the Stock Exchange, being 40,000,000 Shares ("**General Scheme Limit**").
- (iii) Subject to (i) above and without prejudice to (iv) below, our Company may seek approval of our Shareholders in a general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme of our Group shall not exceed 10% of our Shares in issue (assuming the Over-allotment Option and the Share Option Scheme are not exercised) as at the date of the approval of the limit and for the purpose of calculating the limit, options (including options outstanding, cancelled, lapsed or

exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted.

- (iv) Subject to (i) above and without prejudice to (iii) above, our Company may seek separate Shareholders' approval in a general meeting to grant options under the Share Option Scheme beyond the General Scheme Limit, or if applicable, the extended limit referred to in (iii) above to eligible participants identified by our Company before such approval is sought.

(d) Maximum entitlement of each eligible participant

Subject to (e) below, the total number of Shares issued and which may fall to be issued upon exercise of the options under the Share Option Scheme and the options granted under any other share option scheme of our Group (including both exercised or outstanding options) to each grantee in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being. Where any further grant of options under the Share Option Scheme to a grantee under the Share Option Scheme would result in our Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under the Share Option Scheme and any other share option schemes of our Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant must be separately approved by our Shareholders in a general meeting with such grantee and their close associates (or his associates if the participant is a connected person) abstaining from voting.

(e) Grant of options to core connected persons

- (i) Without prejudice to (ii) below, the making of an offer under the Share Option Scheme to any Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of an option under the Share Option Scheme).
- (ii) Without prejudice to (i) above, where any grant of options under the Share Option Scheme to a Substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in our Shares issued and to be issued upon exercise of all options under the Share Option Scheme 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:
 - (1) representing in aggregate over 0.1% of our Shares in issue; and
 - (2) having an aggregate value, based on the closing price of our Shares on the offer date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by our Shareholders in a general meeting. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting.

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

(f) Time of acceptance and exercise of an option

An offer under the Share Option Scheme may remain open for acceptance by the eligible participants concerned (and by no other person) for a period of up to 21 days from the date, which must be a Business Day, on which the offer is made.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to the grantee thereof, and in the absence of such determination, from the date of acceptance of the offer of such option to the earlier of (i) the date on which such option lapses under the relevant provisions of the Share Option Scheme; and (ii) the date falling 10 years from the offer date of that option.

An offer shall have been accepted by an eligible participant in respect of all Shares which are offered to such eligible participant when the duplicate letter comprising acceptance of the offer duly signed by the eligible participant together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

Any offer may be accepted by an eligible participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealings in our Shares on the Main Board or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the offer duly signed by such eligible participant and received by our Company together with a remittance in favour of our Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the offer (which shall not be later than 21 days from the offer date). Such remittance shall in no circumstances be refundable.

(g) Performance targets

Unless otherwise determined by our Directors and stated in the offer to a grantee, a grantee is not required to hold an option for any minimum period nor achieve any performance targets before the exercise of an option granted to him.

(h) Subscription price for Shares

The subscription price in respect of any option shall, subject to any adjustments made pursuant to paragraph(s) below, be at the discretion of our Directors, provided that it shall not be less than the highest of:

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

(i) Ranking of Shares

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

(j) Restrictions on the time of grant of options

For so long as our Shares are listed on the Stock Exchange, an offer may not be made after inside information has come to our Company's knowledge until it has announced the information. In particular, during the period commencing 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 the approval of our Company's result for any year, half-year, quarter-year or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish announcements of its results for any year, half-year, quarter-year period or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, no offer for the grant of an option may be made.

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

(k) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

(l) Rights of ceasing employment

If the grantee is an eligible employee and in the event of his ceasing to be an eligible employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in (n) 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 exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation or termination. The date of cessation or termination as aforesaid shall be the last day on which the grantee was actually at work with our Company or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not.

(m) Rights on death, ill-health or retirement

If the grantee is an eligible employee and in the event of his ceasing to be an eligible employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s) or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation of employment which date shall be the last day on which the grantee was at work with our Company or the relevant subsidiary or the Invested Entity whether salary is paid in lieu of notice or not.

(n) Rights on dismissal

In respect of a grantee who is an eligible employee, the date on which the grantee ceases to be an eligible employee by reason of termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group into disrepute), such option (to the extent not already exercised) shall lapse automatically and shall not in any event be exercisable on or after the date of cessation to be an eligible employee.

(o) Rights on breach of contracts

In respect of a grantee other than an eligible employee, the date on which our Directors shall at their absolute discretion determine that (i)(1) such grantee has committed any breach of any contract entered into between such grantee on the one part and our Group or any Invested Entity on the other part; or (2) such grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) such grantee

could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by any other reason whatsoever; and (ii) the option shall lapse as a result of any event specified in sub-paragraph (i)(1) to (3).

(p) Rights on a general offer, a compromise or an arrangement

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the holders of our 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, our Company shall use all reasonable endeavours to procure that such offer is extended to all the grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the options granted to them, our Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to our Shareholders, the grantee shall, notwithstanding any other terms on which his/her option was granted, be entitled to exercise the option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes.

(q) Rights on winding-up

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

(r) Grantee being a company wholly owned by eligible participants

If the grantee is a company wholly owned by one or more eligible participants:

- (i) the provisions of paragraphs (m), (l), (n) and (o) above shall apply to the grantee and to the option granted to such grantee, mutatis mutandis, as if such option had been granted to the relevant eligible participant, and such option shall accordingly lapse or fail to be exercisable after the event(s) referred to in paragraphs (m), (l), (n) and (o) above shall occur with respect to the relevant eligible participant; and

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

(s) Adjustment of the subscription price

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable or the Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation or sub-division of our Shares, or reduction of the share capital of our Company, then, in any such case our Company shall instruct the auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular grantee, to:

- (i) the number or nominal amount of Shares to which the Share Option Scheme or any option(s) relate(s) (insofar as it is/they are unexercised); and/or
- (ii) the subscription price of any option; and/or
- (iii) (unless the relevant grantee elects to waive such adjustment) the number of Shares comprised in an option or which remain comprised in an option,

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

- (i) any such adjustment shall give the grantee the same proportion of the issued share capital of our Company (as interpreted in accordance with the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) for which such grantee would have been entitled to subscribe had he exercised all the options held by him immediately prior to such adjustment;
- (ii) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (iii) the issue of Shares or other securities of our Group as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and
- (iv) any such adjustment shall be made in compliance with the Listing Rules and such rules, codes and guidance notes of the Stock Exchange from time to time.

In respect of any adjustment referred to above, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the relevant provisions of the Listing Rules and the supplemental guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes.

(t) Cancellation of options

Subject to the provisions in the Share Option Scheme and the Listing Rules, any option granted but not exercised may not be cancelled except with the prior written consent of the relevant grantee and the approval of our Directors.

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

(u) Termination of the Share Option Scheme

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

(v) 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 otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any option or enter into any agreement so do so. Any breach of the foregoing by a grantee shall entitle our Company to cancel any option granted to such grantee to the extent not already exercised.

(w) Lapse of option

An option shall lapse automatically (to the extent not already exercised) on the earliest of (i) the expiry of the option period in respect of such option; (ii) the expiry of the periods or dates referred to in paragraphs (l), (m), (n), (o), (p), (q) and (r) above; or (iii) the date on which our Directors exercise our Company's right to cancel the option by reason of paragraph (v) above.

(x) *Others*

- (i) The Share Option Scheme is conditional upon:
 - (1) the Stock Exchange granting the listing of and permission to deal in such number of Shares representing the General Scheme Limit to be allotted and issued by our Company pursuant to the exercise of options in accordance with the terms and conditions of the Share Option Scheme; and
 - (2) the passing of the necessary resolution to approve and adopt the Share Option Scheme in a general meeting or by way of written resolution of our Shareholders of our Company.
- (ii) The provisions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees except with the prior sanction of a resolution of our Company in a general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the holders of our Shares under the Articles of Association for the time being of our Company for a variation of the rights attached to our Shares.
- (iii) any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any change to the terms of options granted shall be approved by our Shareholders except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (iv) The terms of the Share Option Scheme and/or any options amended must comply with the applicable requirements of the Listing Rules.
- (v) Any change to the authority of our Directors or the administrators of the Share Option Scheme in relation to any alteration to the terms of the Share Option Scheme must be approved by our Shareholders in a general meeting.

2. Present status of the Share Option Scheme

Application has been made to the Stock Exchange for the listing of and permission to deal in our Shares to be within the General Scheme Limit pursuant to the exercise of options which may be granted under the Share Option Scheme.

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

E OTHER INFORMATION**1. Tax and other indemnities**

Our Controlling Shareholders (collectively, the “**Indemnifiers**”) have, under a Deed of Indemnity as referred to in paragraph (c) of the paragraph headed “B. Further information about the business of our Group — 1. Summary of material contracts” in this appendix, given joint and several indemnities to our Company (for ourselves and as trustee for and on behalf of our subsidiaries) in connection with, among other things:

- (a) any taxation (including estate duty) falling on any member of our Group:
 - (i) in respect of or by reference to any income, profits or gains earned, accrued or received or deemed or alleged to have been earned, accrued or received on or before the date on which the Share Offer becomes unconditional; or
 - (ii) in respect of or by reference to any transaction, act, omission or event entered into or occurring or deemed to enter into or occur on or before the date on which the Share Offer becomes unconditional;
- (b) all claims, proceedings, judgments, losses, liabilities, fines, payments, damages and any associated costs suffered by or incurred by any member of our Group as a result of:
 - (i) any litigation, arbitrations, claims (including counter-claims) and/or legal proceedings instituted by or against any member of our Group which was arising from any act, non-performance, omission or otherwise of any member of our Group on or before the date on which the Share Offer becomes unconditional;
 - (ii) any relocation due to any irregularities in relation to any of the tenancy agreements or licence agreements of any member of our Group entered into on or before the date on which the Share Offer becomes unconditional, including but not limited to all relocation costs, loss of profit and business, penalties and fines and all losses and damages which may be suffered by any member of our Group as a result thereof;
 - (iii) any business disruptions, claims, legal proceedings arising from any infringement of intellectual property of others caused by any non-registration or non-filing on or before the date on which the Share Offer becomes unconditional of any of the trademarks or intellectual property rights owned or used by any member of our Group;
 - (iv) any non-compliance with the applicable laws, rules or regulations, including but not limited to the Predecessor Companies Ordinance and the Companies Ordinance, by any member of our Group on or before the date on which the Share Offer becomes unconditional;
 - (v) any irregularities in relation to any corporate documents of any member of our Group;
 - (vi) the Reorganisation for any losses or liabilities payable by our Company; and

- (vii) any unlawful use of real properties leased by any member of our Group of any relevant land, construction or user regulations applicable to the properties leased by the relevant member of our Group prior to the date on which the Share Offer becomes unconditional.

The Indemnifiers will, however, not be liable under the Deed of Indemnity to the extent that, among others:

- in relation to items (a) and (b) above, specific provision, reserve or allowance has been made for such liability in the audited combined accounts of our Company or any member of our Group for the Track Record Period;
- in relation to item (a) above, the taxation liability arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the date on which the Share Offer becomes unconditional; or
- in relation to item (a) above, the taxation liability arises in the ordinary course of business of any member of our Group after the date on which the Share Offer becomes unconditional.

Our Directors have been advised that no material liability for estate duty under the laws of the Cayman Islands and BVI is likely to fall on our Group, and the estate duty under the laws of Hong Kong has been abolished.

2. Legal proceedings/Litigation

To the best knowledge of our Directors, save as disclosed in this prospectus, as at the Latest Practicable Date, neither our Company nor any of our Company's subsidiaries was engaged in any litigation, arbitration or claims of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company or any member of our Group, that would have a material adverse effect on the results of operations or financial condition.

3. Application for listing of Shares

Our Company have applied to the Listing Committee for the listing of, and the permission to deal in, our Shares in issue and to be issued pursuant to the Capitalisation Issue and the Share Offer as mentioned herein (including the additional Shares which may be issued upon full exercise of the Over-allotment Option) and our Shares to be issued upon exercise of any options which may be granted under the Share Option Scheme). All necessary arrangements have been made to enable the securities to be admitted into CCASS.

4. Compliance adviser

In accordance with the requirements of the Listing Rules, our Company has appointed Alliance Capital Partners Limited as the compliance adviser to provide advisory services to our Company to ensure compliance with the Listing Rules for a period commencing on the Listing Date and ending on the date on which our Company complies with Rule 13.46 of the Listing Rules in respect of the financial results for the first full financial year commencing after the Listing Date.

5. Preliminary expenses

The estimated preliminary expenses are approximately HK\$40,800 and have been paid by our Company.

6. Promoter

- (a) Our Company do not have any promoter.
- (b) Within the two years immediately preceding the date of this prospectus, no amount or benefit has been paid or given to any promoter of our Company in connection with the Share Offer or the related transactions described in this prospectus.

7. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this prospectus, and have given and have not withdrawn their written consent to the issue of this prospectus with the inclusion of their letter, report, and/or valuation certificate opinion and/or references to their names (as the case may be), all of which are dated the date of this prospectus, in the form and context in which they respectively appear in this prospectus:

Name	Qualifications
Alliance Capital Partners Limited	A licenced corporation under the SFO to engage in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Ernst & Young	Certified Public Accountants
Frost & Sullivan Limited	Industry consultant
Beijing Dentons Law Offices, LLP (Shenzhen)	Legal advisers to our Company as to the PRC law
Appleby	Legal advisers to our Company as to Cayman Islands law
Hogan Lovells	Legal advisers to our Company as to EU laws and regulations and International Sanctions law

8. Consents of experts

Each of the abovementioned experts has given and has not withdrawn their respective consent to the issue of this prospectus with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and reference to its name included in the form and context in which it respectively appears.

9. Fees of the Sponsor

The Sponsor will receive a sponsorship, financial advisory and documentation fee of a total amount of HK\$4,600,000 in relation to the Listing and will be reimbursed for their expenses.

10. Independence of the Sponsor

Neither the Sponsor nor any of its close associates has accrued any material benefit as a result of the successful outcome of the Share Offer, other than the following:

- (a) by way of sponsorship, financial advisory and documentation fee to be paid to the Sponsor for acting as the sponsor of the Listing;
- (b) by way of the compliance advisory fee to be paid to the Sponsor as our Company's compliance adviser pursuant to the requirements under Rule 3A.19 of the Listing Rules; and
- (c) by way of underwriting commission and/or other underwriting fees as stipulated in the Underwriting Agreements to be paid to Alliance Capital Partners Limited for acting as one of the Underwriters

No director or employee of the Sponsor who is involved in providing advice to our Company has or may have, as a result of the Listing, any interest in any class of securities of our Company or any of our Company's subsidiaries. None of the directors and employees of the Sponsor has any directorship in our Company or any member of our Group. The Sponsor is independent from our Group under Rule 3A.07 of the Listing Rules.

11. Binding effect

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

12. Miscellaneous

Save as disclosed herein:

- (a) within the two years immediately preceding the date of this prospectus:
 - (i) no share or loan capital of our Company or any of its subsidiaries has been allotted and issued, agree to be allotted and issued or is proposed to be allotted and issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commission, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our Company's subsidiaries and no commission (excluding sub-underwriters' commission) has been paid or payable for subscribing or agreeing to subscribe or procuring or agreeing to procure subscription for any Share or any of our Company's subsidiaries;
- (b) no founder, management or deferred shares of our Company have been allotted and issued or agreed to be allotted and issued;
- (c) no share, warrant 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;
- (d) our Directors confirm that, up to the Latest Practicable Date, there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2018, being the date on which the latest audited financial information of our Group was reported in the Accountants' Report set out in Appendix I to this prospectus; and
- (e) our Directors confirm that there has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this prospectus.

13. Bilingual Prospectus

Pursuant to section 4 of our Company (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this prospectus are being published separately but are available to the public at the same time at each place where this prospectus is distributed by or on behalf of our Company.