
APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

A. FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES**1. Incorporation of our Company**

Our Company was incorporated on October 22, 2021 in the Cayman Islands as an exempted company with limited liability. Accordingly, our Company’s corporate structure and Memorandum and Articles of Association are subject to the relevant laws of the Cayman Islands. A summary of our Memorandum of Association and Articles of Association is set out in Appendix III. Our registered office is at Third Floor, Century Yard, Cricket Square, P.O. Box 902, Grand Cayman, KY1-1103, Cayman Islands.

Our principal place of business in Hong Kong is at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong. We were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on February 24, 2022. Ms. Chan Sze Ting and Ms. Wong Wai Yee, Ella have been appointed as our authorized representatives for the acceptance of service of process and notices on behalf of our Company in Hong Kong under Part 16 of the Companies Ordinance.

Our Company’s headquarters is located in Qingdao, PRC.

2. Changes in authorized and issued share capital of our Company

As at the date of incorporation, our Company had an authorized share capital of HK\$380,000.0 divided into 38,000,000 ordinary Shares of a par value of HK\$0.01 each.

On the date of incorporation, one Share was allotted and issued as fully paid to the initial subscriber, an Independent Third Party, which in turn transferred such one Share to Jin Chun at par. On the same day, seven and two Shares were allotted and issued, credited as fully paid at par, to Jin Chun and CZK Holding, respectively. After such allotment and issuance of Shares, Jin Chun and CZK Holding owned 8,000 and 2,000 Shares, representing 80% and 20% of the issued share capital of our Company, respectively.

On November 30, 2021, Jin Chun transferred 200 and 100 Shares, for cash at par, to Ruigao Holding and Passion Wealth, respectively. On December 20, 2021, Jin Chun transferred 6,600 Shares, for cash at par, to Jin Qiu and CZK Holding transferred 1,900 Shares, for cash at par, to Kaimei Holding. Pursuant to a Deed of Gift dated February 22, 2022, on the same day, Jin Chun transferred 800 Shares, at nil consideration, to Jovial Alliance. Pursuant to the transfers of Shares, our Company was owned as to 66%, 3%, 19%, 1%, 8%, 2% and 1% by Jin Qiu, Jin Chun, Kaimei Holding, CZK Holding, Jovial Alliance, Ruigao Holding and Passion Wealth respectively.

Pursuant to the written resolutions of our Shareholders passed on [•], the authorized share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of a par value of HK\$0.01 each to HK\$[7,000,000] divided into

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[700,000,000] Shares of a par value of HK\$0.01 each by the creation of an additional [662,000,000] new Shares of a par value of HK\$0.01 each, each ranking *pari passu* in all respect with our Shares then in issue (the “**Increase in Authorized Share Capital**”).

Conditional on the conditions as stated in “Structure and Conditions of the [REDACTED]” and the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the allotment and issuance of the [REDACTED] pursuant to the [REDACTED], HK\$[REDACTED] standing to the credit of our Company’s share premium account will be capitalized by applying such sum to pay up in full at par a total of [REDACTED] Shares (or any such number of Shares any one Director may determine) for allotment and issuance to Jin Qiu ([REDACTED] Shares), Jin Chun ([REDACTED] Shares), CZK Holding ([REDACTED] Shares), Kaimei Holding ([REDACTED] Shares), Jovial Alliance ([REDACTED] Shares), Ruigao Holding ([REDACTED] Shares) and Passion Wealth ([REDACTED] Shares), being the Shareholders at the close of business of [•], in proportion to their respective shareholding in our Company. As a result, Jin Qiu, Jin Chun, CZK Holding, Kaimei Holding, Jovial Alliance, Ruigao Holding and Passion Wealth will hold [REDACTED] Shares, [REDACTED] Shares, [REDACTED] Shares, [REDACTED] Shares, [REDACTED] Shares, [REDACTED] Shares and [REDACTED] Shares in our Company, respectively, representing [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]%, [REDACTED]% and [REDACTED]% of the total issued share capital of our Company upon the [REDACTED], respectively.

Immediately following the [REDACTED] and the [REDACTED] but not taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme, the total issued share capital will be HK\$[REDACTED] divided into [REDACTED] Shares, fully paid or credited as fully paid, with [REDACTED] Shares remaining unissued.

On the basis that the [REDACTED] is exercised in full and taking no account of any Shares to be issued upon the exercise of any share options granted under the Share Option Scheme, the total issued share capital will be HK\$[REDACTED] divided into [REDACTED] Shares, fully paid or credited as fully paid, with [REDACTED] Shares remaining unissued.

Other than pursuant to the general mandate to issue Shares referred to in “A. Further information about our Company and its subsidiaries — 5. Written resolutions of our Shareholders passed on [•]” in this Appendix and pursuant to the exercise of the [REDACTED] or the Share Option Scheme, our Company does not have any present intention to issue any of the authorized but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares which would effectively alter the control of our Company will be made.

Save as the changes of share capital disclosed in this section above, there has been no alteration in the share capital of our Company since its incorporation.

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3. Corporate reorganization

The companies comprising our Group underwent the Reorganization in preparation for the [REDACTED]. See “History, Reorganization and Corporate Structure” for further details.

4. Changes in the share capital of subsidiaries

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

Save as disclosed in “History, Reorganization and Corporate Structure”, there was no change in the share capital of our subsidiaries within two years immediately preceding the date of this document.

5. Written resolutions of our Shareholders passed on [•]

Written resolutions of our Shareholders were passed on [•] approving, among others, the following:

- (a) the Increase in Authorized Share Capital;
- (b) conditional upon all the conditions set out in “Structure and Conditions of the [REDACTED] — Conditions of the [REDACTED]” being fulfilled (**together**, the “**Conditions**”):
 - (i) the [REDACTED] and the grant of the [REDACTED] by our Company and the Share Option Scheme was approved and our Directors were authorized to (aa) allot and issue the [REDACTED] pursuant to the [REDACTED] and such number of Shares as may be required to be allotted and issued upon the exercise of the [REDACTED] and any option(s) which may be granted under the Share Option Scheme; (bb) implement the [REDACTED] and the [REDACTED] of Shares on the Stock Exchange; and (cc) do all things and execute all documents in connection with or incidental to the [REDACTED] and the [REDACTED] with such amendments or modifications (if any) as our Directors may consider necessary or appropriate;
 - (ii) conditional on the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the allotment and issuance of [REDACTED] pursuant to the [REDACTED], our Directors were authorized to capitalize HK\$[REDACTED] standing to the credit of the share premium account of our Company by applying such sum to pay up in full at par [REDACTED] Shares (or any such number of Shares any one Director may determine) for allotment and issuance to our Shareholders whose names appeared in the register of members or the principal share register of our Company at close of business on the date which the said

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resolution is passed (or another date as our Directors may direct) in proportion to their respective shareholdings in our Company (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued), each ranking *pari passu* in all respects with the Shares then in issue, and our Directors were authorized to give effect to such capitalization;

- (iii) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with any Shares or securities convertible into Shares and to make an offer or agreement or grant an option (including but not limited to warrants, options, bonds, notes, securities and debentures conferring any rights to subscribe for or otherwise receive Shares) not exceeding (aa) 20% of the total number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (excluding any Share to be issued pursuant to the exercise of the [REDACTED] and upon exercise of any share option which may be granted under the Share Option Scheme); or (bb) the number of Shares repurchased under the authority granted to our Directors as referred to in paragraph (iv) below. Such mandate shall remain in effect until the earliest of (aa) the conclusion of the next annual general meeting of our Company; (bb) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or (cc) until revoked or varied by an ordinary resolution of our Shareholders in general meeting;
- (iv) a general unconditional mandate given to our Directors during the relevant period to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange, for this purpose, such number of Shares as will represent up to 10% of the aggregate number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (excluding any Share to be issued pursuant to the exercise of the [REDACTED] and upon exercise of any share option which may be granted under the Share Option Scheme) (the “**Repurchase Mandate**”). Such mandate shall remain in effect until the earliest of (aa) the conclusion of the next annual general meeting of our Company; (bb) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or (cc) until revoked or varied by an ordinary resolution of our Shareholders in general meeting; and

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- (v) the general unconditional mandate mentioned in paragraph (iii) above was extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted, issued or dealt with by our Directors pursuant to such general mandate of the aggregate number of issued Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (iv) above, provided that such extended amount shall not exceed 10% of the aggregate number of issued Shares immediately following the completion of the [REDACTED] and the [REDACTED], but excluding any Share which may be issued upon exercise of the [REDACTED] and any option that may be granted under the Share Option Scheme;
- (c) conditional on (i) the [REDACTED] granting (or agreeing to grant) approval (subject to such conditions as the Stock Exchange may impose) for the [REDACTED] of, and permission to deal in, our Shares which may be issued upon the exercise of share options granted under the Share Option Scheme, and (ii) the commencement of the [REDACTED] in our Shares on the Stock Exchange, the adoption of rules of the Share Option Scheme and authorisation of our Board and/or delegation and authorisation by our Board (where applicable) to our Remuneration Committee to administer the Share Option Scheme; and
- (d) our Company approved and adopted the Memorandum of Association and the Articles of Association conditionally upon the fulfillment of the Conditions and with effect from the [REDACTED].

6. Repurchase of our Shares by our Company

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

Provisions of the Listing Rules

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

(a) Shareholders' approval

The Listing Rules provide that all share repurchases by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate or by specific approval in relation to specific transactions. As mentioned in “A. Further information about our Company and its subsidiaries — 5. Written resolutions of our Shareholders passed on [•]” above, our Directors were granted the Repurchase Mandate on [•].

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(b) Sources of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the applicable laws, rules and regulations in the Cayman Islands, the Memorandum and the Articles. A listed company is prohibited from repurchasing 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 from time to time.

Subject to the foregoing, under the Cayman Companies Act, any repurchases by our Company may be made out of our Company’s profits, out of our Company’s share premium account, out of the proceeds of a new issue of Shares made for the purpose of the repurchase, or, if authorized by the Articles of Association and subject to the provisions of the Cayman Companies Act, out of capital. Any amount of premium payable on a repurchase over the par value of the Shares to be repurchased must be out of either or both our Company’s profits or our Company’s share premium account, before or at time the Shares are repurchased, or, if authorized by the Articles of Association and subject to the provisions of the Cayman Companies Act, out of capital.

(c) 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 exercise of warrants, share options or similar instruments requiring the issuer to issue securities, which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities if that repurchase would result in the number of 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.

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A listed company may not make any repurchase of securities at any time after inside information has come to its knowledge, or development which may constitute inside information has occurred or has been the subject of a decision until such time as the inside information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for 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 (ii) 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.

(d) Status of repurchased shares

All repurchased shares (whether on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those shares must be cancelled and destroyed. Under the Companies Act, unless, prior to the repurchase, the directors of a company resolve to hold shares in such company as treasury shares, a company’s issued share capital shall be reduced by the aggregate par value of the repurchased shares accordingly although the authorized share capital of the company will not be reduced.

(e) 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 purchase, where relevant, and the aggregate prices paid.

(f) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a core connected person, which includes a Director, chief executive or Substantial Shareholder or any of our subsidiaries or an associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

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Reasons for repurchase

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

Funding of repurchases

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with the Articles, the Listing Rules, the applicable laws of Hong Kong, and the applicable laws and regulations of the Cayman Islands. On the basis of our current financial condition as disclosed in this document and taking into account our 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 our working capital and/or our gearing position as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue after completion of the [REDACTED] and [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account of any Share to be issued upon the exercise of any share option granted under Share Option Scheme), could accordingly result in up to [REDACTED] Shares being repurchased by us during the period prior to:

1. the conclusion of our next annual general meeting;
2. the expiration of the period within which our next annual general meeting is required by the Articles, the Companies Act or any other applicable laws of the Cayman Islands to be held; or
3. the revocation or variation of the Repurchase Mandate by an ordinary resolution of our Shareholders in a general meeting,

whichever is the earliest.

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None of our Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to our Company or its subsidiaries if the Repurchase Mandate is exercised. 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 Memorandum and the Articles, and the applicable laws, rules and regulations in the Cayman Islands.

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

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).

No core connected person of our Company has notified our Company that he/she/it has a present intention to sell the Shares to our Company, or has undertaken not to do so, in the event 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 in the ordinary course of business) have been entered into by members of our Group within two years preceding the date of this document:

- (a) the Deed of Non-competition;
- (b) the Deed of Indemnity; and
- (c) the [REDACTED].





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2. Intellectual property rights of our Group


(a) Trademarks registered by our Group

As at the Latest Practicable Date, we had registered the following trademarks which we believe are material to our business:

No.	Trademark	Registered owner	Place of registration	Class	Trademark registration number	Registration date	Expiry date
1		Seacon Ships Qingdao	The PRC	39	18017563	November 14, 2016	November 13, 2026
2		Seacon Ships Qingdao	The PRC	39	23903607	April 21, 2018	April 20, 2028
3		Seacon Ships Qingdao	The PRC	39	12366469	September 14, 2014	September 13, 2024
4		Seacon Ships Qingdao	Japan	39	1488973	March 2021	March 2031

(b) Trademark licensed by Seacon Shipping Group

As at the Latest Practicable Date, we were licensed to use the following registered trademark which we consider to be or may be material to our business:

Trademark	Registered owner	Place of registration	Class	Trademark registration number	Registration date	Expiry date
	Seacon Shipping Group	Hong Kong	39	304128363	May 4, 2017	May 3, 2027

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(c) Domain names

As at the Latest Practicable Date, we have registered the following domain names that are material to the operations of our Group:

Registered owner	Domain name	Date of registration	Expiry date
Seacon Ships Qingdao	seacon.com	March 26, 1996	March 27, 2024
Seacon Ships Qingdao	seaconmt.com	September 29, 2020	September 29, 2023
Seacon Ships Qingdao	seaconsg.com	March 14, 2017	March 14, 2023
Seacon Ships Qingdao	seaconshipping.com	January 2, 2014	January 2, 2024

Information contained in the above websites does not form part of this document.

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

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors

(a) Disclosure of Interests — Interests and short positions of our Directors and chief executives in shares, underlying shares and debentures of our Company and our associated corporations

Immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and the exercise of share options granted under the Share Option Scheme), the interests and short positions of our Directors and chief executives in our Shares, underlying shares and debentures of our Company or any 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/or short positions which they are taken or deemed to have under such provisions of the SFO) once our Shares are [REDACTED], or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once our Shares are [REDACTED], or pursuant to the Model Code for

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Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to our Company and the Stock Exchange once our Shares are [REDACTED] will be as follows:

(i) *Interest in our Company*

Name	Capacity/Nature of Interest⁽¹⁾	Number of Shares held after the [REDACTED] and the [REDACTED]	Approximate percentage of shareholding in the total issued share capital of our Company after the [REDACTED] and the [REDACTED]
Mr. Guo	Founder of a discretionary trust; Interest in a controlled corporation ⁽²⁾	[REDACTED]	[REDACTED]%
Mr. Chen	Founder of a discretionary trust; Interest in a controlled corporation ⁽³⁾	[REDACTED]	[REDACTED]%
Mr. Zhao Yong	Interest in a controlled corporation ⁽⁴⁾	[REDACTED]	[REDACTED]%
Mr. He Gang	Interest in a controlled corporation ⁽⁵⁾	[REDACTED]	[REDACTED]%

Notes:

- (1) All interests stated are long positions.
- (2) The entire share capital of Jin Qiu is wholly-owned by Shining Friends, which is wholly-owned by Tricor Equity Trustee, the trustee of The J&Y Trust, which was established by Mr. Guo (as the settlor and protector) on December 6, 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in [REDACTED] Shares held by Jin Qiu upon completion of the [REDACTED] and

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the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) pursuant to Part XV of the SFO.

Jin Chun is 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the [REDACTED] Shares held by Jin Chun upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in all the Shares held by Jin Qiu and Jin Chun.

- (3) The entire share capital of Kaimei Holding is wholly-owned by Oceanic Flame, which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust, which was established by Mr. Chen (as the settlor and protector) on December 6, 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in [REDACTED] Shares held by Kaimei Holding upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) pursuant to Part XV of the SFO.

CZK Holding is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the [REDACTED] Shares held by CZK Holding upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in all the Shares held by Kaimei Holding and CZK Holding.

- (4) Ruigao Holding is 100% beneficially owned by Mr. Zhao Yong. Accordingly, Mr. Zhao Yong is deemed to be interested in the [REDACTED] Shares held by Ruigao Holding upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) under the SFO.
- (5) Passion Wealth is 100% beneficially owned by Mr. He Gang. Accordingly, Mr. He Gang is deemed to be interested in the [REDACTED] Shares held by Passion Wealth upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) under the SFO.

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(ii) Interest in the shares of associated corporations

Name	Name of associated corporation	Capacity/Nature of interest⁽¹⁾	Number of share(s) held	Percentage of interest⁽¹⁾
Mr. Guo	Jin Chun	Beneficial owner ⁽²⁾	One	100%
Mr. Guo	Jin Qiu	Founder of a discretionary trust ⁽³⁾	N/A	100%

Notes:

- (1) All interests stated are long positions.
- (2) Jin Chun is 100% beneficially owned by Mr. Guo.
- (3) The entire share capital of Jin Qiu is wholly-owned by Shining Friends, which is wholly-owned by Tricor Equity Trustee, the trustee of The J&Y Trust, which was established by Mr. Guo (as the settlor and protector) on December 6, 2021 as a discretionary trust for the benefit of himself and his family members.

None of our Directors or our chief executive will immediately following the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Share to be issued upon the exercise of share options granted under the Share Option Scheme) have any disclosable interests (as referred to herein), other than as disclosed in (i) and (ii) above.

(b) Particulars of Directors’ service contracts and letters of appointment

Each of our executive Directors has entered into a service contract with our Company for an initial term of three years, commencing from the [REDACTED], which shall be renewed as determined by our Board or our Shareholders. The office of our executive Director is liable to be vacated in certain circumstances pursuant to the Articles. The appointment of each of our executive Directors may be terminated by either party by giving at least three months’ written notice to the other.

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for an initial term of three years, commencing from the [REDACTED], which shall be renewed as determined by our Board or our Shareholders. The office of an independent non-executive Director is liable to be vacated in certain circumstances pursuant to the Articles. The appointment of each of our independent non-executive Directors may be terminated by either party by giving at least three months’ written notice to the other.

Save as the service contracts and letters of appointment disclosed above, none of our Directors has or is proposed to have a service contract or a letter of appointment with any member of our Group.

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(c) Remuneration of Directors

For the years ended December 31, 2019, 2020 and 2021, and the five months ended May 31, 2022, the aggregate amount of compensation paid by us to our Directors (including salaries, bonuses and share-based compensation expenses) were approximately US\$366,000, US\$420,000, US\$6,234,000 and US\$211,000, respectively. Save for the compensation disclosed above, no other amounts have been paid or are payable by any member of our Group to our Directors during the Track Record Period.

The expected amount of compensation paid by us to our Directors (including salaries, bonus and welfare expenses) for the financial year ending December 31, 2022 will be approximately US\$973,000 in aggregate.

Our policy concerning the remuneration of our Directors is that the amount of remuneration is determined on the basis of the relevant Director’s responsibilities, qualification, position and seniority.

No Director has been paid in cash or shares or otherwise by any person either as (i) an inducement to join or upon joining our Company; or (ii) 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 our Director has waived or agreed to waive any emoluments for the years ended December 31, 2019, 2020 and 2021, and the five months ended May 31, 2022.

After the [REDACTED], our Remuneration Committee will review and determine the remuneration and compensation packages of our Directors with reference to their responsibilities, workload, time devoted to our Group and performance of our Group. Our Directors may also receive options to be granted under the Share Option Scheme and awards of Shares to be awarded under the Share Award Plan.

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2. Substantial Shareholders

So far as our Directors are aware, immediately prior to and following the completion of [REDACTED] and the [REDACTED] (without taking into account of any Shares that may be issued pursuant to the exercise of the [REDACTED] or any option that may be granted under the Share Option Scheme), the following persons will have interests or short positions in our Shares and underlying shares which will be required to be disclosed to our Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, 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 the general meetings of any other member of our Group:

Name	Capacity/Nature of interest	Number of Shares held as at the date of this document ⁽¹⁾	Approximate percentage of interests in our Company as at the date of this document ⁽¹⁾	Number of Shares held immediately after completion of the [REDACTED] and the [REDACTED] ⁽¹⁾	Approximate percentage of interests in our Company immediately after completion of the [REDACTED] and the [REDACTED] ⁽¹⁾
Tricor Equity Trustee ⁽²⁾	Trustee of trusts	8,500	85.0%	[REDACTED]	[REDACTED]%
Shining Friends ⁽³⁾	Interest in a controlled corporation	6,600	66.0%	[REDACTED]	[REDACTED]%
Jin Qiu ⁽³⁾	Beneficial owner	6,600	66.0%	[REDACTED]	[REDACTED]%
Jin Chun ⁽³⁾	Beneficial owner	300	3.0%	[REDACTED]	[REDACTED]%
Mr. Guo ⁽³⁾	Founder of a discretionary trust; Interest in a controlled corporation	6,900	69.0%	[REDACTED]	[REDACTED]%
Oceanic Flame ⁽⁴⁾	Interest in a controlled corporation	1,900	19.0%	[REDACTED]	[REDACTED]%
Kaimei Holding ⁽⁴⁾	Beneficial owner	1,900	19.0%	[REDACTED]	[REDACTED]%
CZK Holding ⁽⁴⁾	Beneficial owner	100	1.0%	[REDACTED]	[REDACTED]%
Mr. Chen ⁽⁴⁾	Founder of a discretionary trust; Interest in a controlled corporation	2,000	20.0%	[REDACTED]	[REDACTED]%
Tricor Trust (Hong Kong) ⁽⁵⁾	Trustee of a trust	800	8.0%	[REDACTED]	[REDACTED]%
Jovial Alliance ⁽⁶⁾	Beneficial owner	800	8.0%	[REDACTED]	[REDACTED]%
Ms. Li Xuyue ⁽⁷⁾	Interest of spouse	6,900	69.0%	[REDACTED]	[REDACTED]%
Ms. Chen Meimei ⁽⁸⁾	Interest of spouse	2,000	20.0%	[REDACTED]	[REDACTED]%

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Notes:

- (1) All interests stated are long positions.
- (2) Tricor Equity Trustee is the trustee of The J&Y Trust and The CZK Trust, two trusts in total.
- (3) The entire share capital of Jin Qiu is wholly-owned by Shining Friends, which is wholly-owned by Tricor Equity Trustee, the trustee of The J&Y Trust, which was established by Mr. Guo (as the settlor and protector) on December 6, 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Guo (as founder of The J&Y Trust) and Shining Friends are taken to be interested in [REDACTED] Shares held by Jin Qiu upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) pursuant to Part XV of the SFO.

Jin Chun is 100% beneficially owned by Mr. Guo. Accordingly, Mr. Guo is deemed to be interested in the [REDACTED] Shares held by Jin Chun upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) under the SFO.

By virtue of the SFO, Mr. Guo is deemed to be interested in the [REDACTED] Shares held by Jin Qiu and Jin Chun in aggregate.

- (4) The entire share capital of Kaimei Holding is wholly-owned by Oceanic Flame, which is wholly-owned by Tricor Equity Trustee, the trustee of The CZK Trust, which was established by Mr. Chen (as the settlor and protector) on December 6, 2021 as a discretionary trust for the benefit of himself and his family members. Mr. Chen (as founder of The CZK Trust) and Oceanic Flame are taken to be interested in [REDACTED] Shares held by Kaimei Holding upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) pursuant to Part XV of the SFO.

CZK Holding is 100% beneficially owned by Mr. Chen. Accordingly, Mr. Chen is deemed to be interested in the [REDACTED] Shares held by CZK Holding upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) under the SFO.

By virtue of the SFO, Mr. Chen is deemed to be interested in the [REDACTED] Shares held by Kaimei Holding and CZK Holding in aggregate.

- (5) Tricor Trust (Hong Kong) is the trustee of the Share Award Trust.
- (6) Jovial Alliance is wholly-owned by Tricor Trust (Hong Kong), the trustee of the Share Award Trust, which was established by our Company (as the settlor) on February 22, 2022 as a trust for the benefit of selected grantees under the Share Award Plan. Jovial Alliance is deemed to be interested in the [REDACTED] Shares held by it upon completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued upon exercise of any share options granted under the Share Option Scheme) pursuant to Part XV of the SFO.
- (7) Ms. Li Xuyue is the spouse of Mr. Guo and is deemed, or taken to be, interested in all Shares in which Mr. Guo has interest in under the SFO.

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- (8) Ms. Chen Meimei is the spouse of Mr. Chen and is deemed, or taken to be, interested in all Shares in which Mr. Chen has interest in under the SFO.

3. Agency fees or commission

Within the two years preceding the date of this document, 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 us or any of our subsidiaries.

4. Related party transactions

Details of the related party transactions are set out under Note 30 to the Accountant’s Report set out in Appendix I. Our Directors confirmed that all related party transactions are conducted on normal commercial terms, and that their terms are fair and reasonable.

5. Disclaimers

Save as disclosed in this document:

- (i) none of our Directors or chief executive of our Company has any interest and short position in our Shares, underlying shares and debentures of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is 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 into the register referred to therein, or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors and Listed Companies;
- (ii) none of our Directors nor any of the persons referred to in “F. Other information — 8. Qualifications and consents of experts” in this Appendix has any direct or indirect interest in the promotion of us, or in any assets which have within the two years immediately preceding the date of this document been acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (iii) none of our Directors nor any of the persons referred to in “F. Other information — 8. Qualifications and consents of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;

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- (iv) none of the persons referred to in “F. Other information — 8. Qualifications and consents of experts” in this Appendix has any shareholding in any member of our Group or the right to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (v) none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation));
- (vi) taking no account of any Share which may be issued upon the exercise of the [REDACTED] and the share options granted under the Share Option Scheme, none of our Directors knows of any person (not being a Director or chief executive of us) who will, immediately following completion of the [REDACTED] and the [REDACTED], have an interest or short position in our Shares or underlying shares of us which would fall to be disclosed to us under the provisions of Division 2 and 3 of Part XV of the SFO or be interested, directly or indirectly, 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 member of our Group; and
- (vii) so far as is known to our Directors, none of our Directors, their respective close associates (as defined under the Listing Rules) or Shareholders who are interested in more than 5% of our share capital have any interest in the five largest customers or suppliers of our Group.

D. SHARE OPTION SCHEME

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted pursuant to the written resolutions of our Shareholders and Directors passed on [•]:

1. Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to provide an incentive or reward for the Grantees (as defined below) for their contribution or potential contribution to our Company and/or any of its subsidiaries.

2. Participants of the Share Option Scheme and the basis of determining the eligibility of the participants

Our Board may, subject to and in accordance with the provisions of the Share Option Scheme and the Listing Rules, at its discretion grant options to any full-time or part-time employees, consultants or potential employees, consultants, executives or officers (including executive Directors, independent non-executive Directors and non-executive Directors (if any)) of our Company or any of its subsidiaries, and any suppliers, customers, consultants, agents and advisers who, in the sole opinion of our

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Board has contributed or will contribute to our Group (collectively, the “**Eligible Participants**”) and whom our Board may in its absolute discretion select and subject to such conditions as it may think fit.

3. Status of the Share Option Scheme

(a) Conditions of the Share Option Scheme

The Share Option Scheme shall take effect conditional upon and is subject to:

- (i) the passing of the necessary resolutions by our Board and our Shareholders to approve and adopt the rules of the Share Option Scheme;
- (ii) the [REDACTED] granting the [REDACTED] of, and permission to deal in, our Shares to be issued pursuant to the exercise of options under the Share Option Scheme;
- (iii) the obligations of the [REDACTED] (under the [REDACTED]) becoming unconditional (including, if relevant, following the waiver(s) of any conditions by the Sole Sponsor, acting for and on behalf of the [REDACTED]) and not being terminated in accordance with their terms or otherwise; and
- (iv) the commencement of [REDACTED] in our Shares on the Stock Exchange,

(the “**Conditions**”).

(b) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period commencing on the date on which the Share Option Scheme was conditionally adopted by an ordinary resolution of our Shareholders and ending on the tenth anniversary of the [REDACTED] (both dates inclusive) (the “**Scheme Period**”), after which time no further option will be granted, but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects to the extent necessary to give effect to the exercise of any options granted prior thereto or otherwise as may be required in accordance with the provisions of the Share Option Scheme and options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the Share Option Scheme.

4. Grant of options

(a) Making of offer

An offer shall be made to an Eligible Participant by an offer document in such form as our Board may from time to time determine (the “**Offer Document**”), requiring the participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme.

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(b) Acceptance of offer

An option shall be deemed to have been granted to (subject to certain restrictions in the Share Option Scheme), and accepted by, the Eligible Participant (the “**Grantee**”) and to have taken effect upon the issue of an option certificate after the duplicate Offer Document comprising acceptance of the option duly signed by the Grantee, together with a remittance in favour of our Company of HK\$1.0 by way of consideration for the grant of the option is received by our Company on or before the last day for acceptance set out in the Offer Document. The remittance is not in any circumstances refundable and shall be deemed as part payment of the Exercise Price (as defined below). Once accepted, the option is granted as from the date on which it was offered to the Grantee (the “**Offer Date**”).

(c) Restrictions on time of grant

- (i) No grant of options shall be made after any inside information has come to the knowledge of our Company until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no option shall be granted during the period of thirty (30) days immediately preceding the earlier of:

- (1) the date of our Board meeting as shall have been notified to the Stock Exchange for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (2) the deadline for our Company to publish an announcement of its results for any year or half-year under the Listing Rules or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the actual date of the results announcement for such year, half-year, quarterly or interim period (as the case may be). The period during which no option may be granted will cover any period of delay in the publication of a results announcement.

- (ii) For so long as the shares are [REDACTED] on the Stock Exchange, no options may be granted to a Director on any day which financial results of our Company are published and:
- (1) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and

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- (2) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

(d) Grant to connected persons

Any grant of options to a connected person must be approved by all independent non-executive Directors (excluding any independent non-executive Director who is also a proposed Grantee of the options, the vote of such independent non-executive Director shall not be counted for the purposes of approving the grant).

(e) Grant to Substantial Shareholders and independent non-executive Directors

Without prejudice to sub-paragraph 4(c) above, any grant of options to a Substantial Shareholder or our independent non-executive Director or any of their respective associates shall be subject to, in addition to the approval of our independent non-executive Directors in sub-paragraph (d) above, the issue of a circular by our Company to its Shareholders and the approval of our Shareholders in general meeting if our Shares issued and to be issued upon exercise of all options already granted and proposed to be granted to him (whether exercised, cancelled or outstanding) under the Share Option Scheme or any other scheme in the twelve (12) month period up to and including the Offer Date:

- (i) would represent in aggregate more than 0.1%, or such other percentage as may from time to time be provided under the Listing Rules, of our Shares in issue on the Offer Date; and
- (ii) would have an aggregate value, based on the official closing price of our Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, in excess of HK\$5,000,000 (or such other amount as shall be permissible under the Listing Rules from time to time).

(f) Proceedings in general meeting to approve the grant of option

At the general meeting to approve the proposed grant of options under subparagraph 4(e) above, the Grantee, his associates and all core connected persons of our Company must abstain from voting. At such general meeting, the vote to approve the grant of such options must be taken on a poll in accordance with the Articles and the relevant provisions of the Listing Rules.

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(g) Performance target

Our Board has the discretion to require a particular Grantee to achieve certain performance targets specified at the time of grant before any option granted under the Share Option Scheme can be exercised. There are no specific performance targets stipulated under the terms of the Share Option Scheme and our Board currently has no intention to set any specific performance targets on the exercise of any options granted or to be granted under the Share Option Scheme.

5. Exercise price

The price per Share at which a Grantee may subscribe for Shares upon exercise of an option (the “**Exercise Price**”) shall, subject to any adjustment pursuant to paragraph 7 below, be determined by our Board in its sole discretion but in any event shall be at least the highest of:

- (i) the official closing price of our Shares as stated in the Stock Exchange’s daily quotations sheets on the Offer Date;
- (ii) the average of the official closing prices of our Shares as stated in the Stock Exchange’s daily quotation sheets for the five Business Days immediately preceding the Offer Date; and
- (iii) the nominal value of a Share;

provided that for the purpose of determining the Exercise Price under sub-paragraph 5(ii) above where our Shares have been [REDACTED] on the Stock Exchange for less than five Business Days preceding the Offer Date, the issue price of our Shares in connection with such [REDACTED] shall be deemed to be the closing price of our Shares for each Business Day falling within the period before the [REDACTED] of our Shares on the Stock Exchange.

6. Maximum number of Shares available for subscription

(a) Scheme limit

Subject to sub-paragraphs 6(b) and 6(c) below, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme and any other share option schemes of our Company shall not in aggregate exceed the number of Shares that shall represent 10% of the total number of Shares in issue immediately upon completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account Shares that may be allotted and issued upon exercise of options granted under the Share Option Scheme) (the “**Scheme Limit**”) which is expected to be [REDACTED] Shares. For the purpose of calculating the Scheme Limit, options which have lapsed in accordance with the terms of the relevant scheme shall not be counted.

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(b) Renewal of scheme limit

Our Company may seek approval by our Shareholders in general meeting for renewing the Scheme Limit provided that the total number of Shares in respect of which options may be granted under the Share Option Scheme and any other schemes of our Company under the Scheme Limit as renewed from time to time must not exceed 10% of the total number of Shares in issue as of the date of our Shareholders’ approval. Options previously granted under the Share Option Scheme, whether outstanding, cancelled, lapsed in accordance with its applicable rules or already exercised, will not be counted for the purpose of calculating the limit as renewed.

For the purpose of seeking the approval of our Shareholders under this subparagraph 6(b), a circular containing the information required under Rule 17.02(2) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules must be sent to our Shareholders.

(c) Grant of options beyond scheme limit

Our Company may seek separate approval by our Shareholders in general meeting for granting options beyond the Scheme Limit provided that the options in excess of the Scheme Limit are granted only to Eligible Participants who are specifically identified by our Board before such approval is sought.

For the purpose of seeking the approval of our Shareholders under this subparagraph (6)(c), our Company must send a circular to our Shareholders containing a generic description of the specified Eligible Participants who may be granted such options, the number and terms of the options to be granted, the purpose of granting such options to the Grantees with an explanation as to how the terms of options serve such purpose and the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer as required under Rule 17.02(4) of the Listing Rules.

(d) Maximum number of Shares issued pursuant to the Share Option Scheme

Notwithstanding anything to the contrary in the Share Option Scheme, the maximum limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Company must not in aggregate exceed such number of Shares as shall represent 30% of our Shares in issue from time to time. No options may be granted under any schemes of our Company or subsidiaries if such grant will result in this 30% limit being exceeded.

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(e) Grantee’s maximum holding

Unless approved by our Shareholders in general meeting in the manner prescribed in the Listing Rules, our Board shall not grant options to any Grantee if the acceptance of those options would result in the total number of Shares issued and to be issued to that Grantee on exercise of his options during any twelve (12) month period up to the Offer Date exceed 1% of the total Shares then in issue.

Where any further grant of options to a Grantee, if exercised in full, would result in the total number of Shares already issued or to be issued upon exercise of all options granted and to be granted to such Grantee (including exercised, cancelled and outstanding options) in any twelve (12) month period up to and including the date of such further grant exceed 1% of the total number of Shares in issue, such further grant must be separately approved by our Shareholders in general meeting with such Grantee and his close associates (or associates if the Grantee is a connected person) abstaining from voting. Our Company must send a circular to our Shareholders and the circular must disclose the identity of the Grantee, the number and terms of the options to be granted and options previously granted to such Grantee and the information required under Rule 17.02(2) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules. The number and terms (including the Exercise Price) of the options to be granted to such Grantee must be fixed before our Shareholders’ approval. The date of the meeting of our Board for proposing such further grant of option should be taken as the date of grant for the purpose of calculating the Exercise Price.

(f) Adjustment

The number of Shares subject to the Share Option Scheme shall be adjusted in such manner as our Company’s independent financial adviser shall certify to our Board to be appropriate, fair and reasonable in accordance with paragraph 7 below but in any event shall not result in the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and the other schemes exceed the limit set out in sub-paragraph 6(d).

7. Capital restructuring

(a) Adjustment of options

In the event of any capitalization issue, rights issue, open offer (if there is a price dilutive element), sub-division or consolidation of Shares, or reduction of capital of our Company in accordance with applicable laws and regulatory

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requirements, such corresponding alterations (if any) shall be made (except on an issue of securities of our Company as consideration in a transaction which shall not be regarded as a circumstance requiring alteration or adjustment) in:

- (i) the number of Shares subject to any outstanding option;
- (ii) the Exercise Price; and/or
- (iii) the number of Shares subject to the Share Option Scheme;

as the approved independent financial adviser shall at the request of our Company or any Grantee, certify in writing either generally or as regards any particular Grantee, to be in their opinion fair and reasonable provided that any such alterations shall be made on the basis that a Grantee shall have as near as possible the same proportion of the equity capital of our Company (as interpreted in accordance with the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all the issuers relating to share option scheme) as that to which the Grantee was previously entitled to subscribe had he exercised all the options held by him immediately before such adjustments and the aggregate Exercise Price payable by a Grantee on the full exercise of any option shall remain as nearly as possible the same as (but shall not be greater than) it was before such event, but not so that the effect would be to enable any Share to be issued to a Grantee at less than its nominal value, provided that no adjustment to the Exercise Price and number of Shares should be made to the advantage of the Eligible Participants without specific prior approval of our Shareholders.

(b) Independent financial adviser confirmation

On any capital reorganization, independent financial adviser shall certify in writing to our Board that the adjustments satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and the note thereto and the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes and/or such other requirement prescribed under the Listing Rules from time to time.

8. Cancellation of options

Any cancellation of options granted but not exercised must be approved in writing by the Grantees of the relevant options. For the avoidance of doubt, such approval is not required in the event any option is cancelled pursuant to paragraph 9. Where our Company cancels options, the grant of new options to the same Grantee may only be made under the Share Option Scheme within the limits set out in sub-paragraphs 6(a), 6(b), and 6(e).

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9. Assignment of options

An option is personal to the Grantee and shall not be transferable or assignable. No Grantee shall sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option held by him or attempt to do so (except that the Grantee may nominate a nominee, in whose name our Shares issued pursuant to the Share Option Scheme may be registered).

10. Rights attached to our Shares

Shares to be allotted upon exercise of an option will be subject to all the provisions of the Articles and will rank *pari passu* with the fully paid Shares in issue on the date of issue. Accordingly, such Shares will entitle the holders to have the same voting, dividend, transfer and other rights, and to participate in all dividends or other distributions paid or made on or after the date on which the allottee is registered as a member (the “**Registration Date**”) other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which is before the Registration Date.

A Share issued upon the exercise of an option shall not carry any voting rights until completion of registration of the Grantee or his nominee as the holder of such Share on the register of members of our Company. Shares issued on the exercise of an option shall not rank for any rights attaching to Shares by reference to a record date preceding the date of allotment.

11. Exercise of options

Unless otherwise provided in the respective Grantee’s Offer Document, an option may be exercised by a Grantee at any time or times during the period notified by our Board during which the Grantee may exercise his option(s) (the “**Option Period**”) provided that:

- (a) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than his death, ill-health, injury, disability or the termination of his relationship with our Company and/or any of its subsidiaries on one or more of the grounds specified in sub-paragraph 12(v) below, the Grantee may exercise the option up to his entitlement at the date of cessation of being an Eligible Participant (to the extent not already exercised) within the period of thirty (30) days (or such longer period as our Board may determine) following the date of such cessation (which date shall be, in relation to a Grantee who is an Eligible Participant by reason of his employment with our Company or any of its subsidiaries, the last actual working day with our Company or the relevant subsidiary whether salary is paid in lieu of notice or not);

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- (b) in the case of a Grantee ceasing to be an Eligible Participant by reason of death, ill-health, injury or disability (all evidenced to the satisfaction of our Board) and none of the events which would be a ground for termination of his relationship with our Company and/or any of its subsidiaries under sub-paragraph 12(v) has occurred, the Grantee or the personal representative(s) of the Grantee shall be entitled within a period of 12 months (or such longer period as our Board may determine) from the date of cessation of being an Eligible Participant or death to exercise his option in full (to the extent not already exercised);
- (c) if a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of 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 in concert with the offeror), our Company shall use its best endeavours to procure that such offer is extended to all the Grantees (on the same terms mutatis mutandis, and assuming that they shall become, by the exercise in full of the options granted to them as Shareholders). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes, or is declared unconditional, the Grantee (or his legal personal representative(s)) shall be entitled to exercise his option in full (to the extent not already exercised) at any time within fourteen (14) days after the date on which such general offer becomes or is declared unconditional;
- (d) if a compromise or arrangement between our Company and our Shareholders and/or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies pursuant to the Companies Law, our Company shall give notice thereof to all the Grantees (together with a notice of the existence of the provisions of this paragraph) on the same day as it despatches to Shareholders and/or creditors of our Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee shall be entitled to exercise all or any of his options in whole or in part at any time prior to noon (Hong Kong time) on the Business Day immediately preceding the date of the general meeting directed to be convened by the relevant court for the purposes of considering such compromise or arrangement and if there is more than one meeting for such purpose, the date of the first meeting. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all options shall, to the extent that they have not been exercised, lapse and determine. Our Board shall endeavour to procure that our Shares issued as a result of the exercise of options in such circumstances shall for the purposes of such compromise or arrangement form part of the issued share capital of our Company on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any

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reason such compromise or arrangement is not approved by the relevant court (whether upon the terms presented to the relevant court or upon any other terms as may be approved by such court), the rights of the Grantees to exercise their respective options shall with effect from the date of the making of the order by the relevant court be restored in full as if such compromise or arrangement had not been proposed by our Company and no claim shall lie against our Company or any of its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension; and

- (e) in the event a notice is given by our Company to its shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all Grantees and thereupon, each Grantee (or in the case of the death of the Grantee, his personal representative(s)) shall be entitled to exercise all or any of his options (to the extent not already lapsed or exercised) at any time not later than two Business Days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for our Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

The exercise of any option shall be subject to our Shareholders in general meeting approving any increase in the authorized share capital of our Company. Subject thereto, our Board shall make available sufficient authorized but unissued share capital of our Company for purpose of allotment of shares upon exercise of option(s).

12. Lapse of options

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

- (i) the expiry of the Option Period;
- (ii) the expiry of the periods referred to in sub-paragraphs 11(b) to (e) above;
- (iii) the date of the commencement of the winding-up of our Company in respect of the situation contemplated in sub-paragraph 11(e);
- (iv) the date the scheme or compromise referred to in sub-paragraph 11(d) above becomes effective;

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- (v) the date on which the Grantee ceases to be an Eligible Participant by reason of his resignation or dismissal, or by reason of the termination of his relationship with our Company and/or any of its subsidiaries on any one or more of the grounds that he has been guilty of serious misconduct or has been convicted of any criminal offence involving his integrity or honesty or in relation to an employee or consultant of our Company and/or any of its subsidiaries (if so determined by our Board) on any other ground on which an employer would be entitled to unilaterally terminate his employment or service at common law or pursuant to any applicable laws or under the Grantee’s service contract with our Company or the relevant subsidiary. A resolution of our Board or the board of directors of the relevant subsidiary to the effect that the relationship of the Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive;
- (vi) the date that is thirty (30) days after the date on which a Grantee is terminated by our Company and/or any of its subsidiaries by reasons other than termination of employment on grounds under sub-paragraph 12(v);
- (vii) the date on which a Grantee commits a breach of paragraph 9 above or the options are cancelled in accordance with paragraph 8 above; or
- (viii) the occurrence of such event or expiry of such period as may have been specifically provided for in the Offer Document, if any.

13. Alteration of the Share Option Scheme

The terms and conditions of the Share Option Scheme and the regulations for the administration and operation of the Share Option Scheme may be altered in any respect by resolution of our Board except that:

- (a) any alteration to the advantage of the Grantees or the Eligible Participants (as the case may be), in respect of matters contained in Rule 17.03 of the Listing Rules, including without limitation, the definitions of “Eligible Participant”, “Expiry Date”, “Grantee” and “Option Period” contained in the Share Option Scheme; or
- (b) any material alteration to the terms and conditions of the Share Option Scheme or any change to the terms of options granted (except any alterations which take effect automatically under the terms of the Share Option Scheme), or any change to the authority of our Board in respect of alternation of the Share Option Scheme,

must be made with the prior approval of our Shareholders in general meeting at which any persons to whom or for whose benefit our Shares may be issued under the Share Option Scheme and their respective associates shall abstain from voting provided that no alteration shall operate to affect adversely the terms of issue of any option granted

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or agreed to be granted prior to such alteration or to reduce the proportion of the equity capital to which any person was entitled pursuant to such option prior to such alteration except with:

- (i) the consent in writing of the Grantees holding in aggregate options which if exercised in full on the date immediately preceding that on which such consent is obtained would entitle them to the issue of three-fourths in nominal value of all Shares which would fall to be issued upon the exercise of all options outstanding on that date; or
- (ii) the sanction of a special resolution.

Written notice of any alterations made in accordance with this paragraph shall be given to all Grantees.

14. Termination

We may by ordinary resolution in general meeting or our Board at any time terminate the operation of the Share Option Scheme and in such event no further option shall be offered or granted. Options granted prior to such termination but not yet exercised at the time of termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

As at the Latest Practicable Date, no option has been granted by our Company under the Share Option Scheme.

E. SHARE AWARD PLAN

On February 22, 2022, our Company entered into the Deed of Settlement for the Establishment and Administration of Share Award Plan (the “**Deed of Settlement**”) with Tricor Trust (Hong Kong) and appointed Tricor Trust (Hong Kong) (the “**Trustee**”) as the trustee to assist with the administration of the Share Award Plan and vesting of the Awards (as defined below) to be granted pursuant to the Share Award Plan. On April 11, 2022, our Company entered into a Deed of Variation for amending certain terms of the Deed of Settlement.

Our Company will further amended the Deed of Settlement to incorporate certain applicable requirements set out in the Consultation Conclusions on the Proposed Amendments to Listing Rules relating to Share Schemes of Listed Issuers and Housekeeping Rule Amendment published by the Stock Exchange in July 2022.

The Share Award Plan does not constitute a share option scheme or an arrangement analogous to a share option scheme under the existing Chapter 17 of the Listing Rules. Under the new Chapter 17 of the Listing Rules which will be effective from January 1, 2023 (the “**New Chapter 17**”), the Share Award Plan is a share scheme funded by existing Shares comprising the Shares received from Jin Chun and to be received pursuant to the [REDACTED] prior to the [REDACTED]. The Share Award Plan does not involve issuance of new Shares after the [REDACTED] and therefore would not result in a dilution

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of the Shareholders’ interests. Apart from Rules 17.05A and 17.12 of the New Chapter 17 which are the only provisions applicable to share scheme funded by existing shares, the requirements applicable to share schemes funded by new shares as set out under other provisions of the New Chapter 17 do not apply to the Share Award Plan.

Under the New Chapter 17, the Share Award Plan, being a share scheme funded by existing Shares, will be subject to certain requirements of disclosure in the annual report of the Company and abstention from voting by the trustee of the unvested Shares as set out in Rules 17.05A and 17.12 of the New Chapter 17.

No award has been granted under the Share Award Plan since its establishment and the Directors confirm that there is no present intention to grant any award under the Share Award Plan before the [REDACTED].

The following is a summary of the principal terms of the Share Award Plan adopted pursuant to written resolutions of our Directors passed on February 22, 2022 (the “**Adoption Date**”), amended pursuant to written resolutions of our Directors passed on April 11, 2022 and to be further amended to incorporate certain applicable requirements under the New Chapter 17:

1. Purpose of the Share Award Plan

The purpose of the Share Award Plan is, through an award of Shares (a) to recognize and reward the contribution of certain Eligible Participants (as defined below) to the growth and development of our Group and to give incentives thereto in order to retain them for the continual operation and development of our Group; and (b) to attract suitable personnel for further development of our Group.

2. Administration of the Share Award Plan

The Share Award Plan shall be subject to the administration of our Board or other person(s) from time to time delegated by our Board with the power and authority to administer the Share Award Plan (the “**Committee**”), provided that such administration shall not prejudice (i) the powers of the Trustee, as provided under the Deed of Settlement; and (ii) the powers of the Remuneration Committee on recommending and/or deciding (on and subject to the terms and conditions provided under the Share Award Plan) the selection of the Selected Participants (as defined below), the number of Awarded Shares (as defined below) to be awarded to the respective Selected Participants and other related matters as expressly provided under the Share Award Plan.

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3. Eligibility

Under the rules of the Share Award Plan, the following classes of participants (the “**Eligible Participants**”) are eligible for participation in the Share Award Plan:

- (a) any employee (an “**Employee**”) (whether full time or part time, including any executive Director but excluding any non-executive Director) of our Company, any subsidiary, any entity in which any member of our Group holds any equity interest (“**Invested Entity**”) or any entity in which a Controlling Shareholder holds any shareholding or equity interest whether directly or indirectly (“**Related Entity**”);
- (b) any non-executive Directors (including independent non-executive Directors) of our Company, any subsidiary, any Invested Entity or any Related Entity;
- (c) any adviser (professional or otherwise), consultant to or expert in any area of business or business development of any member of our Group or any Invested Entity; and
- (d) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purposes of the Share Award Plan, the Award (as defined below) may be made to any company wholly-owned by one or more of the above participant or any trust which the settlor is the above participant.

4. Operation of the Share Award Plan

Our Board or the Committee shall, subject to and in accordance with these rules of the Share Award Plan and the Listing Rules, be entitled to select Eligible Participants to participate in the Share Award Plan as Selected Participants (the “**Selected Participants**”, each a “**Selected Participant**”) and make an award (the “**Award**”) of Shares out of the Shares Pool (as defined below) to the Selected Participants.

The eligibility of any of the Eligible Participants to an Award shall be determined by our Board or the Committee from time to time on the basis of our Board’s or the Committee’s opinion as to his/her contribution and/or future contribution to the development and growth of our Group.

Where any Award is proposed to be made to any Eligible Participant who is a connected person, our Company shall comply with the applicable requirements under the Listing Rules.

Upon approval of any grant of Award(s) by our Board to any Selected Participant, our Board or the Committee shall notify the Selected Participant in writing of the terms and conditions of the Award, including without limitation, the

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number of Share(s) provisionally awarded to a Selected Participant pursuant to an Award (the “**Awarded Shares**”), vesting schedule, and condition(s) and/or performance target(s) to be attained or paid by the Selected Participant before the Awarded Shares may be transferred to and vested in the Selected Participant. An Award shall be deemed to be irrevocably accepted by a Selected Participant unless the Selected Participant shall within five (5) Business Days after receipt of such notice from our Board or the Committee notify our Company in writing that he/she would decline to accept such Award.

An Award shall be personal to the Selected Participant and shall not be transferable or assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or enter or purport to enter into any agreement to do so. Any breach of the foregoing by any Selected Participant shall entitle our Company to cancel the Award made to such Selected Participant.

No Award may be made during the Restrictive Period (as defined below).

5. Shares Pool

In order to satisfy any Awarded Share(s) to be granted under the Share Award Plan from time to time, the Trustee shall maintain a pool of issued Shares (the “**Shares Pool**”) which shall comprise:

- (a) Shares as may be transferred or allotted and issued to the Trustee as a holder of Shares up to the [REDACTED] for the purpose of the Share Award Plan; and
- (b) Shares which remain unvested and revert to the Trustee due to lapse of Awards or non-vesting or forfeiture of Awarded Shares in accordance with the Share Award Plan.

During the period (the “**Vesting Period**”) commencing on the date on which the Awarded Shares have been provisionally set aside pursuant to an Award to a Selected Participant and ending on the date on which the legal and beneficial ownership of the Awarded Shares are vested in a Selected Participant pursuant to an Award (the “**Vesting Date**”), any dividends and other distributions (“**Other Distributions**”) declared and made in respect of any Awarded Shares shall belong to the Trustee in accordance with the terms of the Share Award Plan and the Deed of Settlement. Upon termination of the Share Award Plan, such Other Distributions shall be treated and dealt with as income of the trust fund of the Share Award Trust generally.

The Trustee shall set aside from the Shares Pool the Awarded Shares awarded or provisionally awarded to the Selected Participants pending the transfer and vesting of the Award Shares under the Award. The Trustee shall hold the Awarded Shares so set aside during the Vesting Period on the terms of the Deed of Settlement.

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6. Vesting

Subject to the terms and conditions of the Share Award Plan, the Trustee shall transfer to and vest in any Selected Participant the legal and beneficial ownership of the Awarded Shares to which such Selected Participant is entitled under the relevant Award as soon as practicable after the latest of:

- (a) the earliest vesting date as specified in the award notice to which such Award relates;
- (b) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee; and
- (c) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by such Selected Participant as specified in the related award notice have been attained or paid and notified to the Trustee by our Board or the Committee in writing.

Subject to the terms and conditions of the Share Award Plan, at any time prior to a Vesting Date, unless our Board or the Committee otherwise determines, in respect of a Selected Participant who:

- (a) has died, all the Awarded Shares of the Selected Participant shall be deemed to be vested in respect of that Selected Participant on the day immediately prior to his/her death; or
- (b) (in the case of a Selected Participant who is an Employee) has retired, all the Awarded Shares of the Selected Participant shall be deemed to be vested in respect of that Selected Participant on the day immediately prior to his/her retirement date.

7. Voting rights

[The Trustee holding unvested Shares of the Share Award Plan (including but not limited to the Awarded Shares pending vesting and transfer to the Selected Participants and the returned shares, as the case may be), whether directly or indirectly, shall abstain from voting on matters that require the Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.]

8. Rights of Selected Participants before vesting

A Selected Participant shall have no rights to receive any Awarded Shares set aside for him/her unless and until the Trustee has transferred and vested the legal and beneficial ownership of such Awarded Shares to and in the Selected Participants pursuant to the Share Award Plan. In particular, no instruction may be given by a

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Selected Participant to the Trustee in respect of the Awarded Shares and/or the Other Distributions and/or other properties or assets of the trust constituted by the Deed of Settlement.

9. Restrictive period (the “Restrictive Period”)

No Award shall be made to any Eligible Participant under the Share Award Plan:

- (a) where any inside information (as defined in the SFO) has come to our Company’s knowledge, until our Company has published an announcement in respect of such inside information in accordance with the relevant provisions of the SFO; or
- (b) where dealings by our Directors are prohibited under the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules or any applicable laws and regulations or any internal code of conduct in securities dealings adopted by our Company from time to time.

10. Lapse of Awards

Any Award made to Selected Participant(s) shall lapse forthwith on the occurrence of any of the following, among others:

- (a) a Selected Participant ceases to be an Employee by virtue of corporate reorganization of our Group or the Invested Entity;
- (b) a Selected Participant ceases to be an Employee other than for retirement or death;
- (c) the subsidiary or Invested Entity by which a Selected Participant is employed ceases to be a subsidiary or Invested Entity of our Company (or of a member of our Group);
- (d) our Board or the Committee shall at its absolute discretion determine in respect of a Selected Participant (other than a Selected Participant who is an Employee) that (i) the Selected Participant or his/her associate has committed any breach of any contract entered into between the Selected Participant or his/her associate on one part and any member of our Group or any Invested Entity on the other part as our Board or the Committee may in its absolute discretion determine; or (ii) the Selected Participant 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/her creditors generally; or (iii) the Selected Participant could no longer make any contribution to the growth and development of any member of our Group or the Invested Entity by reason of the cessation of its relationship with our Group or its Invested Entity or by any other reasons whatsoever;

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- (e) an order for the winding-up of our Company is made or a resolution is passed for the voluntary winding-up of our Company;
- (f) a Selected Participant is found to be an excluded participant, being any person who is resident in a place where the award of the Awarded Shares and/or the award of the returned shares and/or the vesting and transfer of Shares pursuant to the terms of the Share Award Plan is not permitted under the laws and regulations of such place or where in the view of our Board or the Committee or the Trustee (as the case may be) compliance with applicable laws and regulations in such place make it necessary or expedient to exclude such person; or
- (g) a Selected Participant fails to return duly executed transfer documents prescribed by the Trustee for the relevant Awarded Shares within the stipulated period.

In the event of lapse of any Award, the Award/the relevant part of an Award made to such Selected Participant shall automatically lapse forthwith and all the Awarded Shares/the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall become returned shares for the purposes of the Share Award Plan.

11. Plan limit

The maximum number of Shares which may be subject to the Share Award Plan shall not exceed 10% of the total number of the Shares in issue immediately upon completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account Shares that may be allotted and issued upon exercise of options granted under the Share Option Scheme).

The maximum number of Shares which may be subject to an Award or Awards made to a single Selected Participant shall not in aggregate exceed 1% of the issued share capital of our Company in issue immediately upon completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account Shares that may be allotted and issued upon exercise of options granted under the Share Option Scheme).

12. Alteration of the Share Award Plan

The Share Award Plan may be altered by the prior sanction of a resolution passed by our Board or the Committee (or if such alteration may affect the operation of the Share Award Trust or the power or authority of the Trustee, together with the prior written consent of the Trustee), provided that no such alteration shall operate to affect adversely in material respect any subsisting rights of any Selected Participant in respect of his/her Awarded Shares which remain unvested except with the consent in writing of the majority of the Selected Participants whose Awarded Shares remained unvested on that date as would be required of the holders of Shares under the Articles for a variation of the rights attached to such Shares.

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13. Duration and termination of the Share Award Plan

The Share Award Plan shall be valid and effective for a term of 10 years commencing on the Adoption Date, after which period no further Awards shall be offered or granted but the provisions of the Share Award Plan shall remain in full force and effect to the extent necessary to give effect to Awards made prior thereto and the administration of the trust property held by the Trustee pursuant to the Deed of Settlement.

The Share Award Plan shall terminate on the earlier of:

- (a) the 10th anniversary date of the Adoption Date; and
- (b) such date of early termination as determined by our Board or the Committee, provided that such termination shall not affect any subsisting rights of any Selected Participant(s).

F. OTHER INFORMATION**1. Litigation**

As at the Latest Practicable Date, save as disclosed in “Business — Legal proceedings”, we were not engaged in any litigation, arbitration or claim 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 us, that would have a material adverse effect on our results of operations or financial conditions.

2. Tax and other indemnities

Our Controlling Shareholders have, under a Deed of Indemnity referred to in “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 in connection with, amongst other things, taxation resulting from profits or gains earned, accrued or received, and any penalty imposed due to non-compliance with any applicable laws, rules and regulations by our Group on or before the date the [REDACTED] becomes unconditional.

(a) Tax indemnities

Under the Deed of Indemnity, amongst others, our Controlling Shareholders will jointly and severally indemnify our Company and each of the members of our Group against:

- (i) any taxation falling on our Group relating to any estate duty in any part of the world on or before the date on which the [REDACTED] becomes unconditional and [REDACTED] in our Shares first commence on the Stock Exchange (the “**Effective Date**”);

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- (ii) any taxation falling on our Group resulting from or by reference to, *inter alia*, any income received on or before the Effective Date;
- (iii) all reasonable costs which our Group may properly incur in taxation claim against our Group; and
- (iv) any taxation arising out of any additional assessments by any fiscal authorities in respect of any company in our Group in relation to the tax years beginning January 1, 2019 and ending on the Effective Date;

The indemnity will not cover any taxation claim, to the extent that, *inter alia*:

- (i) full provision or allowance has been made for such taxation in the audited consolidated accounts of our Group up to May 31, 2022;
- (ii) subject to (a) above, such taxation arises or is incurred as a result of any retrospective change in law or increase in tax rates coming into force after the Effective Date;
- (iv) the liability for such taxation that is caused by the act or omission of, or transaction voluntarily effected by our Group in the ordinary course of business; or
- (v) any provision or reserve made for such taxation in the audited consolidated accounts of our Group up to May 31, 2022, which is finally established to be an overprovision or an excessive reserve.

(b) Non-compliance with and/or breach of laws, rules and regulations

Our Controlling Shareholders will jointly and severally indemnify our Company and each of the members of our Group, *inter alia*, against any claims, actions, losses, liabilities and costs incurred by our Group as a result of any non-compliance with the applicable laws, rules and regulations by our Group on or before the Effective Date.

The above indemnity does not apply to a liability arising out of any retrospective change in the law coming into force after the Effective Date.

(c) Outstanding and potential litigation

Our Controlling Shareholders will jointly and severally indemnify our Company and each of the members of our Group, *inter alia*, against any losses, liabilities, costs, damages and fees incurred by our Group as a result of any outstanding and potential litigations, including criminal litigations, arbitrations and claims against our Group on or before the Effective Date.

(d) Reorganization

Our Controlling Shareholders will jointly and severally indemnify our Company and each member of our Group, *inter alia*, against any depletion in or reduction in value of the assets or any loss (including all legal costs and suspension of operation), cost, expenses, damages or other liabilities which any member of our Group may incur or suffer arising from or in connection with the implementation of the Reorganization.

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

3. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately USD3,780 and are payable by our Company.

4. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Within the two years preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given or is proposed to be paid, allotted or given to any promoter in connection with the [REDACTED] and the related transactions described in this document.

5. Application for the [REDACTED]

The Sole Sponsor has made an application on behalf of our Company to the [REDACTED] for the [REDACTED] of, and permission to deal in, Shares to be issued as mentioned in this document, any Shares which may be issued upon the exercise of the [REDACTED] and exercise of options granted under the Share Option Scheme. All necessary arrangements have been made to enable the securities to be admitted into [REDACTED].

6. No material adverse change

Save as disclosed in “Business — Legal proceedings”, our Directors confirm that there has not been any material adverse change in our financial or trading position, indebtedness, mortgage, contingent liabilities, guarantees or prospects of our Group since May 31, 2022, the date of the latest audited consolidated financial statements of our Group, and up to the date of this document.

7. [REDACTED]

The [REDACTED] will receive an [REDACTED] as referred to in “[REDACTED] — [REDACTED] and [REDACTED] expenses”.

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8. Qualifications and consents of experts

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

Name	Qualification
Zhongtai International Capital Limited	A corporation licensed under SFO and permitted to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
PricewaterhouseCoopers	Certified Public Accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) Registered Public Interest Entity Auditor under the Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Ms. Queenie W.S. Ng	Barrister-at-law in Hong Kong
Appleby	Legal advisers to our Company as to Cayman Islands law
AllBright Law Offices	PRC Legal Advisers
Avant Law LLC	Singaporean Legal Advisers
Soga Law Office	Japanese Legal Advisers
Norton Rose Fulbright US LLP	Marshall Islands Legal Advisers
Pierre, Tweh & Associates, Inc.	Liberian Legal Advisers
Ince & Co.	English Legal Advisers
Morgan & Morgan	Panamanian Legal Advisers
Hogan Lovells	International Sanctions Legal Advisers
Frost & Sullivan International Limited	Industry consultant

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9. Consents

Each of the above experts has given and has not withdrawn their respective written consents to the issue of this document with the inclusion of their reports and/or letters and/or the references to their names included herein in the form and context in which they are respectively included.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in our Company or any of its subsidiaries.

10. Binding effect

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

11. Financial adviser

Our Company has not retained any financial adviser in connection with the [REDACTED].

12. Independence of Sole Sponsor and Sole Sponsor’s fee

The Sole Sponsor satisfies the independence criteria applicable to sponsor as set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will be paid by our Company a total fee of approximately HK\$[REDACTED] to act as sponsor to our Company in connection with the [REDACTED].

13. Registration procedures

The principal share register of our Company in the Cayman Islands will be maintained by our Company’s [REDACTED], [REDACTED], and a branch share register of our Company in Hong Kong will be maintained by our Company’s [REDACTED], [REDACTED]. Save where our Directors otherwise agree, all transfers and other documents of title to our Shares must be lodged for registration with, and registered by, our [REDACTED] and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable our Shares to be admitted into [REDACTED].

14. Taxation of holders of Shares

(a) Hong Kong

Dealings in Shares registered on our Company’s Hong Kong branch register of members will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.26% of the consideration or, if higher, the value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) The Cayman Islands

Pursuant to the Tax Concessions Law of the Cayman Islands, our Company has obtained an undertaking from the Financial Secretary that:

- (i) no law which is enacted in the Cayman Islands imposing any tax to be levied on profits, income, gains, or appreciations shall apply to our Company or its operations; and
- (ii) no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable by our Company:
 - (aa) on or in respect of the shares, debentures or other obligations of our Company; or
 - (bb) by way of withholding in whole or in part of any relevant payment as defined in the Tax Concessions Law.

The undertaking of our Company is for a period of 20 years from February 23, 2022.

No stamp duty is payable in the Cayman Islands on transfers of shares of Cayman Islands companies except those which hold interests in land in the Cayman Islands.

(c) Consultation with professional advisers

Potential investors in the [REDACTED] are urged to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of, and dealing in our Shares (or exercising rights attached to them). None of us, the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], the [REDACTED], any of their respective directors or any other person or party involved in the [REDACTED] accept responsibility for any tax effects on, or liabilities of, any person, resulting from the subscription, purchase, holding or disposal of, dealing in or the exercise of any rights in relation to, our Shares.

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15. Miscellaneous

Save as disclosed in this document;

- (i) Within the two years preceding the date of this document, no share or loan capital or debentures of our Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly either for cash or for a consideration other than cash.
- (ii) Within the two years preceding the date of this document, no commission, discount, brokerage or other special term has been granted in connection with the issue or sale of any share or loan capital of our Company or any of the principal subsidiaries.
- (iii) Within the two years preceding the date of this document, no commission has been paid or is payable (except commissions to [REDACTED]) for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any Share.
- (iv) Neither our Company nor any of our subsidiaries have issued or agreed to issue any founder share, management share or deferred share.
- (v) No share or loan capital of our Company or any of our consolidated subsidiaries in under option or is agreed conditionally or unconditionally to be put under option.
- (vi) None of the parties (save in connection with the [REDACTED]) listed in “F. Other information — 8. Qualifications and consents of experts” in this Appendix:
 - (a) is interested legally or beneficially in any securities of any member of our Group;
 - (b) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group; or
 - (c) has received any commission, discount, agency fee, brokerage or other special terms in connection with the issue or sale of any share or loan capital of any member of our Group.
- (vii) 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 24 months immediately preceding the date of this document.
- (viii) Our Company and our subsidiaries do not have any debt securities issued or outstanding, or authorized or otherwise created but unissued, or any term loan whether guaranteed or secured as at the Latest Practicable Date.

APPENDIX IV**STATUTORY AND GENERAL INFORMATION**

- (ix) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (x) There is no arrangement under which future dividends have been waived.
- (xi) Our Group has no outstanding convertible debt securities.
- (xii) The English text of this document shall prevail over the Chinese text.
- (xiii) There is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.

16. Bilingual document

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