

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 7 September 2021. Our Company has established a principal place of business in Hong Kong at Unit A, 10/F., Ming Tak Centre, 135-137 Tung Chau Street, Kowloon, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 4 November 2021. Loong & Yeung has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company is incorporated in the Cayman Islands, our Company is subject to the relevant laws of the Cayman Islands and the constitution which comprises the Memorandum and the Articles. A summary of the relevant aspects of Cayman Islands company law and certain provisions of our constitution is set out in Appendix III to this document.

2. Changes in share capital of our Company

- (a) As at the date of incorporation of our Company, the authorised share capital was HK\$380,000 divided into 38,000,000 ordinary shares of a par value of HK\$0.01 each. At incorporation, one nil-paid Share was allotted and issued to the initial subscriber, an Independent Third Party, which was subsequently transferred to Lofty Profit on the same day.
- (b) Pursuant to a sale and purchase agreement dated 23 December 2021 entered into among our Company, Lofty Profit and Mr. Dave Ng, our Company directed Rise Nation as transferee to acquire one share in On Thrive Holdings and one share in Total Wisdom from Lofty Profit and in consideration for the acquisition, the one nil-paid subscriber Share and registered in the name of Lofty Profit was credited as fully paid together with a further 9,999 Shares was allotted and issued to Lofty Profit as all credited as fully paid.
- (c) On [●] 2023, our sole Shareholder resolved to increase the authorised share capital of our Company from HK\$380,000 divided into 38,000,000 ordinary shares of a par value of par value HK\$0.01 each to HK\$[REDACTED] divided into [REDACTED] ordinary shares of a par value of HK\$0.01 each by the creation of [REDACTED] additional Shares with a par value HK\$0.01 each, each ranking *pari passu* in all respects with the Shares then in issue.
- (d) Assuming that the [REDACTED] becomes unconditional and the issue of Shares pursuant to the [REDACTED] and [REDACTED] mentioned herein are made but taking no account of our Shares which may be issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, [REDACTED] Shares will be issued fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.

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- (e) Other than pursuant to the general mandate to issue Shares referred to in the paragraph headed "Written resolutions of our sole Shareholder passed on [●]" in this Appendix and pursuant to the Share Option Scheme, our Company does not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.
- (f) Save as disclosed in the section headed "Share capital" in this document and in this paragraph headed "Changes in share capital of our Company" in this Appendix, there has been no alteration in our Company's share capital since its incorporation.

3. **Written resolutions of our sole Shareholder passed on [●]**

Pursuant to the written resolutions of our sole Shareholder passed on [●], *inter alia*:

- (a) our Company approved and adopted the Memorandum and the Articles with effect from the [REDACTED], the terms of which are summarised in Appendix III to this document;
- (b) the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 ordinary shares of a par value of HK\$0.01 each to [REDACTED] divided into [REDACTED] ordinary shares of a par value of HK\$0.01 each by the creation of an additional of [REDACTED] ordinary shares of a par value of HK\$0.01 each, each ranking *pari passu* with the existing Shares in all respects with our Shares in issue at the date of passing of these resolutions;
- (c) conditional on (i) the Listing Committee granting the [REDACTED] of, and permission to [REDACTED], the Shares in issue and to be issued as mentioned in this document, including any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme and (ii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before the date falling 30 days after the date of this document:
 - (i) the [REDACTED] and the [REDACTED] were approved and our Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED] and any Shares which may be required to be allotted and issued upon the exercise of the [REDACTED] to rank *pari passu* in all respects with the then existing Shares;
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed "D. Share Option Scheme" in this Appendix, were approved and adopted and our Directors were authorised, at their absolute discretion, subject to the terms and

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conditions of the Share Option Scheme to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of subscription rights attaching to any options which may be granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme; and

- (iii) conditional further on the share premium account of our Company being credited as a result of the [REDACTED], the [REDACTED] be approved, and our Directors were authorised to capitalise an amount of [REDACTED] standing to the credit of the share premium account of our Company and to appropriate such amount as capital to pay up in full at par [REDACTED] Shares for allotment and issue to the person(s) whose name(s) appear on the register of members of our Company at the close of business on [●] (or as they may direct) in proportion (as nearly as possible without involving fractions) to its/their then existing shareholdings in our Company, each ranking *pari passu* in all respects with our Shares then in issue, and our Directors were authorised to give effect to such capitalisation and distributions;
- (d) a general unconditional mandate was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue or an issue of Shares pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme or any other share option scheme of our Company or any Shares allotted and issued in lieu of the whole or part of a dividend on Shares or similar arrangement in accordance with the Memorandum and the Articles or pursuant to a specific authority granted by our Shareholders in general meeting or pursuant to the [REDACTED] and the [REDACTED], Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such securities convertible into Shares, and to make or grant offers, agreements or options which might require the exercise of such power, with such number of Shares not exceeding 20% of the total number of the Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, and such mandate to remain in effect until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting;

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- (e) a general unconditional mandate was given to our Directors authorising them 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 [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the total number of the Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, and such mandate to remain in effect until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting; and
- (f) the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition to the number of Shares which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the number of Shares repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (e) above, provided that such extended amount shall not exceed 10% of the total number of the Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme.

4. Corporate reorganisation

The companies comprising our Group underwent the Reorganisation in preparation for the [REDACTED], details of which are set out in the section headed "History, Reorganisation and corporate structure — Reorganisation" in this document. Following the Reorganisation, our Company became the holding company of our Group.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountants' Report, the text of which is set forth in Appendix I to this document. Save as mentioned in the section headed "History, Reorganisation and corporate structure — Reorganisation", there has been no change in the share capital of the subsidiaries of our Company during the two years immediately preceding the date of this document.

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6. Repurchase of our Shares by our Company

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

(a) *Provisions of the Listing Rules*

The Listing Rules permit companies with a primary [REDACTED] on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) *Shareholders' approval*

The Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our sole Shareholder passed on [●], a general unconditional mandate (the "**Repurchase Mandate**") was given to our Directors authorising our Directors to exercise all powers of our Company to purchase on the Stock Exchange or any other stock exchange on which the securities of our Company may be [REDACTED] and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares representing up to 10% of the total number of Shares in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Share which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme, and the Repurchase Mandate shall remain in effect until the earliest of the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum and the Articles or the Companies Act or any other applicable laws of the Cayman Islands to be held, or the time when the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

(ii) *Source of funds*

Any repurchase must be funded out of funds legally available for the purpose in accordance with the Articles, the applicable laws of the Cayman Islands and the Listing Rules. A [REDACTED] company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchases by our Company may be made out of profits or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account

before or at the time our Shares are repurchased or, if authorised by the Articles and subject to the Companies Act, out of capital.

(iii) Connected parties

The Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a "core connected person" (as defined in the Listing Rules), which includes a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or a close associate of any of them and a core connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchases

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

(c) Exercise of the Repurchase Mandate

On the basis of [REDACTED] Shares in issue after completion of the [REDACTED] and the [REDACTED] but excluding any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, our Directors would be authorised under the Repurchase Mandate to repurchase up to [REDACTED] Shares during the period in which the Repurchase Mandate remains in force. Any Shares repurchased pursuant to the Repurchased Mandate must be fully paid up.

(d) Funding of repurchase

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

Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

None of our Directors or, to the best of their knowledge, information and belief having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules), has any present intention to sell any Shares to our Company if the Repurchase Mandate is exercised.

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Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Articles and the applicable laws from time to time in force 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 purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence which may arise under the Takeovers Code as a result of a repurchase of Shares if made immediately after the [REDACTED] pursuant to the Repurchase Mandate. At present, so far as is known to our Directors, no Shareholder may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code in the event that the Directors exercise the power in full to repurchase the Shares pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below [REDACTED] 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 (as defined in the Listing Rules) of our Company has notified our Company that he has a present intention to sell Shares to our Company, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT THE BUSINESS

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 the two years preceding the date of this document and are or may be material:

- (a) bought and sold notes dated 15 September 2021 executed between Mr. Dave Ng and Easy Smart Engineering for the transfer of 30 ordinary shares in Easy Smart Maintenance from Mr. Dave Ng to Easy Smart Engineering;
- (b) an instrument of transfer dated 15 September 2021 entered into between Mr. Dave Ng and Easy Smart Engineering for the transfer of 30 ordinary shares in Easy Smart Maintenance from Mr. Dave Ng to Easy Smart Engineering;
- (c) a sale and purchase agreement dated 19 October 2021 entered into, amongst others, Mr. Dave Ng as vendor and Lofty Profit as purchaser, pursuant to which, Mr. Dave Ng transferred his 10,000 shares in Easy Smart Engineering to Lofty Profit (which directed Total Wisdom as the transferee) and as consideration for which 79 shares in Lofty Profit were allotted and issued to Mr. Dave Ng;

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- (d) bought and sold notes dated 19 October 2021 executed between Mr. Dave Ng and Total Wisdom for the transfer of 10,000 shares in Easy Smart Engineering from Mr. Dave Ng to Total Wisdom as referred to in paragraph (c) above;
- (e) an instrument of transfer dated 19 October 2021 entered into between Mr. Dave Ng and Total Wisdom for the transfer of 10,000 shares in Easy Smart Engineering from Mr. Dave Ng to Total Wisdom as referred to in paragraph (c) above;
- (f) a sale and purchase agreement dated 19 October 2021 entered into, amongst others, Mr. Dave Ng as vendor and Lofty Profit as purchaser, pursuant to which, Mr. Dave Ng transferred his 100 shares in E-Build Technology to Lofty Profit (which directed On Thrive Holdings as the transferee) and as consideration for which 20 shares in Lofty Profit were allotted and issued to Mr. Dave Ng;
- (g) bought and sold notes dated 19 October 2021 executed between Mr. Dave Ng and On Thrive Holdings for the transfer of 100 shares in E-Build Technology from Mr. Dave Ng to On Thrive Holdings as referred to in paragraph (f) above;
- (h) an instrument of transfer dated 19 October 2021 entered into between Mr. Dave Ng and On Thrive Holdings for the transfer of 100 shares in E-Build Technology from Mr. Dave Ng to On Thrive Holdings as referred to in paragraph (f) above;
- (i) a sale and purchase agreement dated 23 December 2021 entered into amongst Lofty Profit (as vendor), Mr. Dave Ng (as vendor's warrantor) and our Company (as purchaser), pursuant to which Lofty Profit transferred its one share in Total Wisdom and one share in On Thrive Holdings to our Company (which directed Rise Nation as the transferee) and as consideration for which one nil-paid subscriber Share of our Company was credited as fully paid together with a further 9,999 Shares was allotted and issued to Lofty Profit as all credited as fully paid;
- (j) an instrument of transfer dated 23 December 2021 entered into between Lofty Profit and Rise Nation for the transfer of one share in Total Wisdom from Lofty Profit to our Company (which directed Rise Nation as the transferee) as referred to in paragraph (i) above;
- (k) an instrument of transfer dated 23 December 2021 entered into between Lofty Profit and Rise Nation for the transfer of one share in On Thrive Holdings to our Company (which directed Rise Nation as the transferee) as referred to in paragraph (i) above;
- (l) the Deed of Non-competition;
- (m) the Deed of Indemnity; and
- (n) [REDACTED]

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2. Intellectual property rights

(a) Trademarks

- (i) As at the Latest Practicable Date, our Group had registered the following trademarks in Hong Kong, which are material in relation to our business:

<u>Trademark</u>	<u>Class</u>	<u>Registration Number</u>	<u>Place of Registration</u>	<u>Registered Owner</u>	<u>Term</u>
	2, 11, 37	305722632AA	Hong Kong	Easy Smart Engineering	19 August 2021 to 18 August 2031
	6, 17, 19	305786542AA	Hong Kong	Easy Smart Engineering	29 October 2021 to 28 October 2031

- (ii) As at the Latest Practicable Date, our Group had applied for registration of the following trademark, the registration of which has not yet been granted:

<u>Trademark</u>	<u>Class</u>	<u>Application Number</u>	<u>Application Date</u>	<u>Place of Application</u>	<u>Applicant</u>
	9, 17, 42	305722632AC	19 August 2022	Hong Kong	Easy Smart Engineering

(b) Domain name

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

<u>Registrant</u>	<u>Domain Name</u>	<u>Registration Date</u>	<u>Expiry Date</u>
Easy Smart Engineering	easysmart.com.hk	23 May 2003	23 May 2023

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C. FURTHER INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS, DIRECTORS AND EXPERTS

1. Disclosure of interests

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

Immediately following completion of the [REDACTED] and the [REDACTED] but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, the interests and short positions of our Directors or chief executive of our Company in the shares, underlying shares and debentures of our Company or any of the associated corporations (within the meaning of Part XV of the SFO) which, once our Shares are [REDACTED] on the Stock Exchange, 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 any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once our Shares are [REDACTED] on the Stock Exchange, will be as follows:

(i) Long position in our Shares

Name of Director	Capacity/ Nature of interest	Immediately following the completion of the [REDACTED] and the [REDACTED]	
		Number of Shares held/ interested in	Percentage of shareholding interest <i>(Note 1)</i>
Mr. Dave Ng <i>(Note 2)</i>	Interest in controlled corporation	[REDACTED]	[REDACTED]

Note 1: The calculation is based on the total number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme).

Note 2: Lofty Profit is wholly-owned by Mr. Dave Ng. Therefore, Mr. Dave Ng is deemed to be interested in the Shares held by Lofty Profit upon the [REDACTED].

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(ii) *Long position in the ordinary shares of our associated corporation*

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Capacity/ Nature of interest</u>	<u>Number of Shares held/ interested in</u>	<u>Percentage of shareholding interest</u>
Mr. Dave Ng	Lofty Profit	Beneficial Owner	[REDACTED]	[REDACTED]

(b) *Interests and short positions of substantial shareholders in the Shares and underlying Shares of our Company*

So far as is known to our Directors and taking no account of any Shares which may be taken up under the [REDACTED], and Shares to be issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, the following persons (not being a Director or chief executive of our Company) will, immediately following the completion of the [REDACTED] and the [REDACTED], have interests or short positions in Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under 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 general meetings of any other member of our Group:

Long Position in our Company

<u>Name</u>	<u>Capacity/ Nature of interest</u>	<u>Immediately following the completion of the [REDACTED] and the [REDACTED]</u>	<u>Number of Shares held/ interested in</u>	<u>Percentage of shareholding interest (Note 1)</u>
Lofty Profit (Note 2)	Beneficial owner		[REDACTED]	[REDACTED]
Ms. Wong Kwai Ying (Note 3)	Interest of spouse		[REDACTED]	[REDACTED]

Note 1: The calculation is based on the total number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] is not exercised and without taking into account any Shares which may be allotted and issued upon the exercise of any options which may be granted under the Share Option Scheme).

Note 2: Lofty Profit is wholly-owned by Mr. Dave Ng. Therefore, Mr. Dave Ng is deemed to be interested in the Shares held by Lofty Profit upon the [REDACTED].

Note 3: Ms. Wong Kwai Ying is the spouse of Mr. Dave Ng. Therefore, Ms. Wong Kwai Ying is deemed, or taken to be, interested in all the Shares in which Mr. Dave Ng has, or is deemed to have, an interest for the purpose of SFO.

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2. Directors' service contracts and letters of appointment

None of our Directors has or is proposed to have any service agreement and letter of appointment with our Company or any of its subsidiaries (excluding contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

3. Directors' remuneration

- (a) The aggregate amount of remuneration (including Directors' fees, salaries, allowances, benefits in kind, discretionary bonuses and retirement scheme contributions) paid to our Directors by our Group in respect of the years ended 30 June 2020, 2021 and 2022 and the four months ended 31 October 2022 were approximately HK\$1.0 million, HK\$1.0 million, and HK\$1.0 million and HK\$0.3 million, respectively.
- (b) Under the arrangements currently in force, the aggregate emoluments (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to our Directors for the year ending 30 June 2023 will be approximately HK\$1.1 million.
- (c) Under the arrangements currently proposed, conditional upon the [REDACTED], the basic annual remuneration (excluding payment pursuant to any discretionary benefits or bonus or other fringe benefits) payable by our Group to each of our Directors will be as follows:

	<i>HK\$</i>
Executive Directors	
Mr. Dave Ng	720,000
Mr. Vincent Ng	720,000
Independent non-executive Directors	
Prof. Pong Kam Keung	180,000
Ms. Cheng Shing Yan	180,000
Mr. Lo Chi Wang	180,000

- (d) None of the Directors waived any emoluments during the Track Record Period. In addition, no emoluments were paid by our Group to the Directors as an inducement to join or upon joining our Group or as compensation for loss of office.

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4. Fees or commission received

Save as disclosed in the section headed "[REDACTED] — Undertaking by our Controlling Shareholders — Fees, commission and expenses" in this document, none of our Directors or the experts named in the paragraph headed "E. Other information — 7. Consents of experts" in this Appendix had received any agency fee or commissions from our Group within the two years preceding the date of this document.

5. Related party transactions

Details of the related party transactions are set out under note 31 to the Accountants' Report set out in Appendix I to this document.

6. Disclaimers

Save as disclosed in the paragraph headed "C. Further Information about Substantial Shareholders, Directors and experts" in this Appendix and this document:

- (a) there are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (b) none of our Directors or the experts named in the paragraph headed "E. Other information — 6. Qualifications of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) none of our Directors or the experts named in the paragraph headed "E. Other information — 7. 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;
- (d) none of our Directors or the experts named in the paragraph headed "E. Other information — 7. Consents of experts" in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;

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- (e) taking no account of any Shares which may be allotted and issued upon the exercise of any option which may be granted under the Share Option Scheme, none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED] and the [REDACTED], have any interest in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will 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 other member of our Group;
- (f) none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of the associated corporations (within the meaning of the SFO) which, once our Shares are [REDACTED] on the Stock Exchange, 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 any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the Listing Rules, to be notified to our Company and the Stock Exchange;
- (g) 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 the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group in each year/period during the Track Record Period; and
- (h) no remuneration or other benefits in kind have been paid by any member of our Group to any Director since the date of incorporation of our Company, nor are any remuneration or benefits in kind payable by any member of our Group to any Director in respect of the current financial year under any arrangement in force as at the Latest Practicable Date.

D. SHARE OPTION SCHEME

Our Company has conditionally adopted the Share Option Scheme on [●]. The following is a summary of the principal terms of the Share Option Scheme but does not form, nor was it intended to be, part of the Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the Share Option Scheme.

The terms of the Share Option Scheme comply with the provisions of Chapter 17 of the Listing Rules.

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1. Definitions

For the purpose of this section, the following expressions have the meanings set out below unless the context requires otherwise:

“Adoption Date”	the date on which the Share Option Scheme is conditionally adopted upon fulfillment of all conditions
“Board”	the board of Directors or a duly authorised committee of the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealings in securities
“Exercise Price”	the price per Share at which a grantee of the Share Option Scheme may subscribe for Share on the exercise of an option
“Group”	our Company and any entity in which our Company, directly or indirectly, holds any equity interest
“Scheme Period”	the period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth (10th) anniversary thereof, unless terminated earlier by our Shareholders in general meeting

2. Summary of terms

The following is a summary of the principal terms of the rules of the Share Option Scheme conditionally adopted by the written resolutions of our sole Shareholder passed on [●]:

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable our Group to grant options to Eligible Participants (as defined in paragraph (b) below) as incentives or rewards for their contribution to our Group. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable our Group to reward the employees, our Directors and other selected participants for their contributions to our Group. Given our Directors are entitled to determine any performance targets to be achieved as well as the vesting period that an option must be held before an option can be exercised on a case by case basis, and that the Exercise Price cannot in any event fall below the Share price stipulated in the Listing Rules or such higher Share price as may be fixed by our Directors, it is expected that grantee of an option will make an effort to contribute to the development of our

Group so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

(b) Who may join and basis of eligibility

Our Directors may at any time within the Scheme Period, at its absolute discretion, in accordance with the provisions of the Share Option Scheme and the Listing Rules make an offer to any person belonging to any of the following classes of participants ("**Eligible Participant(s)**") to take up options to subscribe for Shares:

- (i) Directors (including any executive Director, non-executive Director and independent non-executive Director) and employees (whether full-time or part-time employee) of our Group, including persons who are granted Options or Awards under the Share Scheme as an inducement to enter into employment contracts with our Group ("**Employee Participant(s)**");
- (ii) directors and employees ("**Related Entity Participant(s)**") of the holding companies, fellow subsidiaries or associated companies of our Company ("**Related Entity(ies)**"); and
- (iii) person(s) who provide services to our Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of our Group, including but not limited to person(s) who work for our Group as independent contractors (including advisers, consultants, distributors, contractors, suppliers, agents and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees ("**Service Provider(s)**"), but excluding [REDACTED] or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

and, for the purpose of the Share Option Scheme, the offer for the grant of option may be made to any company wholly owned by one or more Eligible Participants (if applicable).

For the avoidance of doubt, [REDACTED] or financial advisers providing advisory services for fundraising, mergers or acquisitions, professional service providers, such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity shall be excluded. The grant of any option by our Company for the subscription of Shares or other securities of our Group to any person who fall within any of the aforesaid agents or advisers shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

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The basis of eligibility of any Eligible Participant to the grant of any option shall be determined by the Board (or as the case may be, where required under the Listing Rules, approved by our independent non-executive Directors) from time to time on the basis of our Directors' opinion as to the Eligible Participant's contribution or potential contribution to the development and growth of our Group.

(c) Consideration for the option and the Exercise Price

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

The Exercise Price in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to an Eligible Participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a Business Day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the date of grant of the option.

(d) Grant of options and acceptance of offers

An offer for the grant of options shall be made to an Eligible Participant on a Business Day in writing (the "Offer Letter") in such form as the Board may from time to time determine, requiring the Eligible Participant to undertake to hold the option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme and shall remain open for acceptance by the Eligible Participant concerned for a period of 7 Business Days from the date of offer (inclusive of the date of offer).

An offer shall be deemed to have been accepted and an option shall be deemed to have been granted and accepted and to have taken effect when the Offer Letter is duly signed by the grantee together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within 7 Business Days from the date of offer (inclusive of the date of offer). Such remittance shall in no circumstances be refundable.

(e) Maximum number of Shares available for subscription

- (i) Subject to sub-paragraphs (ii) and (iii) below, the maximum number of Shares issuable upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of options which have been granted but which have lapsed in accordance with the terms of the Share Option Scheme or any other share option schemes of our Company) must not in aggregate exceed 10% of all the Shares in issue as at the [REDACTED] ("General Scheme Limit"). Therefore, it is expected that our Company may grant options in respect of up to [REDACTED] Shares (assuming

that the [REDACTED] is not exercised) to the Eligible Participants under the Share Option Scheme. The maximum number of Shares that may be issued in respect of all options to be granted to Service Providers within the General Scheme Limit shall not exceed [REDACTED] of the Shares in issue as at the [REDACTED] ("**Service Provider Sublimit**").

- (ii) Without prejudice to (iii) below, our Company may seek approval of the Shareholders in general meeting to refresh the General Scheme Limit, or if applicable, the Service Provider Sublimit after three (3) years from the date of Shareholders' approval for the last refreshment (or the Adoption Date of the Share Option Scheme). Any refreshment within any three (3) years period must be approved by our Shareholder subject to:
 - (a) any Controlling Shareholders and their associates (or if there is no Controlling Shareholder, Directors (excluding Independent Non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
 - (b) our Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules,

provided that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit mandate. A circular must be sent to our Shareholders containing the number of Options that were already granted under the existing General Scheme Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

- (iii) Without prejudice to (ii) above, our Company may seek separate approval from our Shareholders in general meeting for granting options beyond the General Scheme Limit and the refreshed limit provided the options in excess of the General Scheme Limit and the refreshed limit are granted only to Eligible Participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing the name of each specified Eligible Participants who may be granted such options, the number and terms of such options to be granted and the purpose of granting options to such specified Eligible Participants with an explanation as to how the terms of the options serve such purpose. The number and terms of options to be granted to such Eligible Participants must be fixed before Shareholders' approval. In respect of any options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

(f) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme or any other share option schemes of our Company in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue of our Company for the time being ("**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant must be separately approved by our Shareholders in general meeting of our Company with such Eligible Participant and his close associates (or his associates if the Eligible Participant is a connected person) abstaining from voting. In such event, our Company must send a circular to our Shareholders containing the identity of the Eligible Participant, the number and terms of the options to be granted (and options previously granted to such Eligible Participant in the 12-month period), the purpose of granting options to the Eligible Participant and an explanation as to how the terms of the Option serve such purpose and all other information required under the Listing Rules. The date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

(g) Grant of options to our Directors, chief executive or Substantial Shareholders of our Company or their respective associates

Notwithstanding the aforesaid,

- (i) any offer for the grant of an option under the Share Option Scheme to a Director, chief executive or Substantial Shareholder of our Company (or any of their respective close associates) must be approved by our independent non-executive Directors (excluding any independent non-executive Director who or whose associates is the proposed grantee of the option);
- (ii) where any grant of options to a Substantial Shareholder or an independent non-executive Director (or any of their respective close associates) will result in the total number of Shares issued and to be issued in respect of all options granted (excluding any options lapsed in accordance with the terms of the Share Option Scheme) to such person in any 12-month period up to and including the date of grant representing in aggregate over 0.1% of the Shares in issue;

such further grant of options must be approved by our Shareholders at a general meeting of our Company in the manner set out in Rule 17.04(4) of the Listing Rules. In the circumstances described in sub-paragraph (ii) above, our Company must send a circular to the Shareholders. The grantee, his/her associates and all core connected persons of our Company must abstain from

voting in favour at such general meeting. Our Company must comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. The circular must contain:

- (i) details of the number and terms of the options to be granted to each participant, which must be fixed before the Shareholders' meeting. In respect of any options to be granted, the date of Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Listing Rules;
- (ii) the views of the independent non-executive Directors of our Company (excluding any independent non-executive Director who is the grantee of the options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of our Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (iii) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (iv) the information required under Rule 2.17 of the Listing Rules.

Any change in the terms of an option granted to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by our Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the options requires such approval (except the changes take effect automatically under the existing terms of the Share Option Scheme).

Notwithstanding the aforesaid, the requirements for the grant to a Director or chief executive of our Company set out in Rule 17.04 of the Listing Rules do not apply where the Eligible Participant is only a proposed Director or chief executive of our Company.

(h) Time of exercise of option and vesting Period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten (10) years from the date of grant subject to the provision of early termination thereof.

The vesting period for options shall not be less than 12 months. Options granted to Employee Participants may be subject to a shorter vesting period under specific circumstances as the Board may determine and notified to each Employee Participant. Any such specific circumstances and an explanation by the Company's Board (or the remuneration committee where the arrangements relate to grant of options to the Directors and/or senior managers) as to why the arrangements are appropriate and how the grants align with the purpose of the Share Option Scheme

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must be clearly disclosed in the circular for the adoption of the Share Option Scheme. In any event, the vesting period shall commence from the date of the offer for the grant of options is made, but shall end in any event not later than ten (10) years from the date of offer for the grant of the option subject to the provisions of early termination thereof.

(i) Performance targets

Save as determined by the Board and stated in the offer of the grant of the relevant options to a grantee, there is no performance target which must be achieved before any of the options under the Share Option Scheme can be exercised.

(j) Restrictions on the times of grant of options

(i) Our Company may not grant any options after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules and the SFO. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of:

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

and ending on the date of the results announcement.

(ii) Further to the restrictions in sub-paragraph (i) above, no option may be granted to a Director on any day on which financial results of our Company are published:

- (a) 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
- (b) during the period of 30 days immediately preceding the publication date of the quarterly results 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.

(k) Ranking of Shares

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

(l) Rights are personal to grantee

An option shall not be transferable or assignable and must be personal to the respective grantee of the option. The Stock Exchange may consider granting a waiver to allow a transfer of a vehicle (such as a trust or a private company) for the benefit of an Eligible Participant and any family members of such Eligible Participant (for instance, for estate planning or tax planning purposes) that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of Chapter 17 of the Listing Rules. Where such waiver is granted, the Stock Exchange shall require our Company to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle.

(m) Rights on cessation of employment by death

In the event of the death of the grantee (provided that none of the events which would be a ground for termination of employment referred to in (n) below arises within a period of three (3) years prior to the death, in the case the grantee is an Employee Participant at the date of grant), the legal personal representative(s) of the grantee may exercise the option up to the grantee's entitlement (to the extent which has become exercisable and not already exercised) in whole or in part in accordance with the provisions of the Share Option Scheme within a period of 12 months following his death provided that where any of the events referred to in (q), (r) and (t) occurs prior to his death or within such period of 12 months following his death, then his legal personal representative(s) may so exercise the option within such of the various periods respectively set out therein.

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(n) Rights on cessation of employment by dismissal

In the event that the grantee is an Employee Participant of our Group at the date of grant and he subsequently ceases to be an employee of our Group on any one or more of the grounds that he has been guilty of persistent or serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group or the Related Entities into disrepute), or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the grantee's service contract with our Group, his option shall lapse automatically (to the extent not already exercised) on the date of cessation of his employment with our Group).

(o) Rights on cessation of employment for other reasons

In the event that the grantee is an Employee Participant at the date of grant and he subsequently ceases to be an Employee Participant for any reason other than his death or the termination of his employment of an Employee Participant on one or more of the grounds specified in (n) above, the option (to the extent not already lapsed or exercised) shall lapse on the expiry of three (3) months after the date of cessation of such employment of an Eligible Employee (which date will be in the case of an employee the last actual working day, on which the grantee was physically at work with our Company or the relevant member of our Group whether salary is paid in lieu of notice or not).

(p) Rights on breach of contracts

If in respect of a grantee other than an Employee Participant, our Directors shall at their absolute discretion determine that (i) (1) the grantee or his associate has committed any breach of any contract entered into between the grantee or his associate on the one part and our Group or any Related Entity on the other part; or (2) the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever; and (ii) the option granted to the grantee under the Share Option Scheme shall lapse as a result of any event specified in sub-paragraphs (1), (2) or (3) above, his option will lapse automatically on the date on which our Directors have so determined.

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(q) Effects of alterations to share capital

In the event of any alteration in the capital structure of our Company whilst any option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of our Company (other than an issue of Shares as consideration in respect of a transaction to which any member of our Group is a party), such corresponding adjustments (if any) shall be made in the number of Shares subject to the option so far as unexercised; and/or the Exercise Price of any unexercised option, as the auditors of or independent financial adviser to our Company shall certify or confirm in writing (as the case may be) to the Board to be in their opinion fair and reasonable in compliance with the relevant provisions of the Listing Rules (or any guideline or supplemental guideline as may be issued by the Stock Exchange from time to time), provided that any such alteration shall give a grantee, as near as possible, the same proportion of the issued share capital of our Company as (but in any event shall not be greater than) that to which he was previously entitled, but no adjustment shall be made to the effect of which would be to enable a Share to be issued at less than its nominal value.

(r) Rights on a general offer

In the event of a general or partial offer (whether by way of takeover offer, or scheme of arrangement or otherwise in like manner) being made to all our Shareholders (or all such holders other than the offeror and/or any persons controlled by the offeror and/or any person acting in association or concert with the offeror), our Company shall use all reasonable endeavours to procure that an appropriate offer is extended to all the grantees (on comparable terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the options granted to them, as Shareholders). If such offer becomes or is declared unconditional, a grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise the option in full (to the extent not already lapsed or exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option in accordance with the provisions of the Share Option Scheme at any time thereafter and up to the date of the close of such offer (or any revised offer). Subject to the above, an option will lapse automatically (to the extent not exercised) on the date which such offer (or, as the case may be, revised offer) closed.

(s) Rights on winding-up

In the event a notice is given by our Company to our members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Group give notice thereof to all grantees and thereupon, each grantee (or, as the case may be, his legal personal representative(s)) shall be entitled to exercise all or any of his options at any time not later than two (2) Business Days prior to the proposed general

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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 the 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.

(t) Rights on compromise or arrangement

In the event of a compromise or arrangement between our Company and our Shareholders or the creditors of our Company being proposed in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies pursuant to the Companies Act, our Company shall give notice thereof to all the grantees (or, as the case may be, their legal personal representatives) on the same day as it gives notice of the meeting to our Shareholders or the creditors to consider such a compromise or arrangement and the options (to the extent not already lapsed or exercised) shall become exercisable in whole or in part on such date not later than two (2) Business Days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement ("**Suspension Date**"), by giving notice in writing to our Company accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon our Company shall as soon as practicable and, in any event, no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed general meeting, allot and issue the relevant Shares to the grantee credited as fully paid. With effect from the Suspension Date, 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, lapsed and determined. The Board shall endeavor to procure that the Shares issued as a result of the exercise of options hereunder 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 reason such compromise or arrangement is not approved by the court (whether upon the terms presented to the court or upon any other terms as may be approved by such court), the rights of grantees to exercise their respective options shall with effect from the date of the making of the order by the court be restored in full but only up to the extent not already exercised and shall thereupon become exercisable (but subject to the other terms of the Share Option Scheme) 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 such proposal, unless any such loss or damage shall have been caused by the act, neglect, fraud or wilful default on the part of our Company or any of our officers.

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(u) *Grantee being a company wholly owned by Eligible Participants*

If the grantee is a company wholly owned by one or more Eligible Participants:

- (i) paragraphs (m), (n), (o) and (p) shall apply to grantee and to the option granted to such grantee, *mutatis mutandis*, as if such options had been granted to the relevant Eligible Participant, and such options shall accordingly lapse or fall to be exercisable after the event(s) referred to in paragraphs (m), (n), (o) and (p) shall occur with respect to the relevant Eligible Participant; and
- (ii) the options granted to the grantee shall lapse and terminate on the date the grantee ceases to be wholly owned by the relevant Eligible Participant provided that our Directors may in their absolute discretion decide that such options or any part thereof shall not so lapse or determine subject to such conditions or limitations as they may impose.

(v) *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 period referred to in paragraph (h) above;
- (ii) the expiry of the relevant period or the occurrence of the relevant event referred to in paragraphs (m), (n), (o), (p), (r) or (t) above;
- (iii) subject to paragraph (s) above, the date of the commencement of the winding-up of our Company;
- (iv) the occurrence of any serious misconduct, act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the grantee, or conviction of the grantee of any criminal offence involving his integrity or honesty;
- (v) the date on which the Board exercises our Company's right to cancel, revoke or terminate the option on the ground that the grantee commits a breach of paragraph (l);
- (vi) where the grantee is only a Substantial Shareholder of any member of our Group, the date on which the grantee ceases to be a Substantial Shareholder of such member of our Group; or
- (vii) subject to the compromise or arrangement as referred to in paragraph (s) become effective, the date on which such compromise or arrangement becomes effective.

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(w) Cancellation of options granted but not yet exercised

Our Directors shall have the absolute discretion to cancel any options granted but not exercised or lapsed at any time if the Grantee so agreed. Any grantee whose options are cancelled pursuant to the aforesaid may be issued new options in accordance with the provisions of the Share Option Scheme, provided that options cancelled will be regarded as utilized for the purpose of calculating the General Scheme Limit and the Service Provider Sublimit.

(x) Period of the Share Option Scheme

The Share Option Scheme will remain in force for the Scheme Period which is of ten (10) years commencing on the Adoption Date and shall expire at the close of business on the Business Day immediately preceding the tenth (10th) anniversary thereof, unless terminated earlier by our Shareholders in general meeting.

(y) Alteration to the Share Option Scheme

- (i) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by our Shareholders in general meeting.
- (ii) Any change to the terms of the option granted to an Eligible Participant must be approved by the Board, the remuneration committee, the independent non-executive Directors and/or our Shareholders of our Company (as the case may be) if the initial grant of the options was approved by the Board, the remuneration committee, the independent non-executive Directors and/or our Shareholders of our Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (iii) The amended terms of the Share Option Scheme must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (iv) Any change to the authority of our Directors or scheme administrators to alter the terms of the Share Option Scheme must be approved by our Shareholders of our Company in general meeting.

(z) No clawback mechanism

Our Company has not established a clawback mechanism to recover or withhold the remuneration (which may include any options granted) to any participants in the event of serious misconduct, a material misstatement in our Company's financial statements or other circumstances.

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(aa) Termination to the Share Option Scheme

Our Company by resolution in general meeting or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further options will be offered but options granted prior to such termination shall continue to be valid and exercisable in accordance with provisions of the Share Option Scheme.

(bb) Conditions of the Share Option Scheme

The Share Option Scheme is conditional upon (i) the Listing Committee granting the [REDACTED] of, and permission to [REDACTED], the Shares to be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme; and (ii) the commencement of dealings in our Shares on the Stock Exchange.

3. Present status of the Share Option Scheme

Application has been made to the Listing Committee for the [REDACTED] of and permission to deal in [REDACTED] Shares which fall to be issued pursuant to the exercise of options which may be granted under the Share Option Scheme.

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

E. OTHER INFORMATION

1. Tax and other indemnities

Our Controlling Shareholders have, under the Deed of Indemnity as referred to in the paragraph headed "B. Further information about the business — 1. Summary of material contracts" in this Appendix, given joint and several indemnities to our Company for itself and as trustee for and on behalf of its subsidiaries in connection with, among other things:

- (a) any liability for Hong Kong estate duty which might be payable by any member of our Group under or by virtue of the provisions of section 35 and/or section 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or any other similar legislation in any relevant jurisdiction outside Hong Kong arising on the death of any person at any time by reason of any transfer of any property to any member of our Group on or before the date on which the [REDACTED] becomes unconditional;

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- (b) any taxation which might be payable by any member of our Group (i) in respect of any income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which [REDACTED] becomes unconditional; or (ii) in respect of or in consequence of any act, omission, transaction, matter, thing or event occurring or deemed to occur on or before the date on which the [REDACTED] becomes unconditional;
- (c) the implementation of the Reorganisation and/or disposal or acquisition of the equity interest in any member of our Group since the date of incorporation of each member of our Group and up to the date on which the [REDACTED] becomes unconditional;
- (d) any claims, actions, demands, proceedings, judgments, losses, liabilities, damages, costs, charges, fees, expenses and fines of whatever nature suffered or incurred by any member of our Group as a result of or in connection with any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings instituted by or against any member of our Group in relation to events occurred on or before the date on which the [REDACTED] becomes unconditional; and
- (e) any non-compliance with the applicable laws, rules or regulations by our Company and/or any member of our Group on or before on which the [REDACTED] becomes unconditional.

Our Controlling Shareholders will, however, not be liable under the Deed of Indemnity to the extent that, among others:

- (i) specific provision, reserve or allowance has been made for such taxation liability or taxation claim in the audited consolidated financial statements of any member of our Group for the Track Record Period; or
- (ii) the taxation liability arises or is incurred as a result of a retrospective change in law or a retrospective increase in tax rates coming into force after the date on which the [REDACTED] becomes unconditional; or
- (iii) the taxation liability arises in the ordinary course of business of our Group after 31 October 2022 up to and including the date on which the [REDACTED] becomes unconditional.

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.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

2. Litigation

Save as disclosed in the section headed "Business — Litigations and potential claims" in this document, as at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our executive Directors to be pending or threatened by or against any member of our Group.

3. Sponsor

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

The Sole Sponsor has confirmed to the Stock Exchange that it satisfies the independence test as stipulated under Rule 3A.07 of the Listing Rules.

We agreed to pay approximately [REDACTED] to the Sole Sponsor for the purposes of services provided by the Sole Sponsor in the capacity of sponsor.

4. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are estimated to be approximately HK\$52,200 and are payable by our Company.

5. Promoter

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

APPENDIX IV STATUTORY AND GENERAL INFORMATION

6. Qualifications of experts

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

<u>Name</u>	<u>Qualifications</u>
Grande Capital Limited	a licensed corporation under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO
Deloitte Touche Tohmatsu	Certified Public Accountants and Registered Public Interest Entity Auditors
Loong & Yeung	Legal advisers to our Company as to Hong Kong laws
Appleby	Legal advisers to our Company as to Cayman Islands laws
Chan Chung	Barrister-at-law of Hong Kong
Shanghai Wen Fei Yong Law Firm	Legal advisers to our Company as to PRC laws
Frost & Sullivan International Limited	Industry consultant
BT Corporate Governance Limited	Internal control consultant
APAC Asset Valuation and Consulting Limited	Independent valuer

7. Consents of experts

Each of the experts named in the paragraph headed "E. Other information — 6. Qualification of experts" in this Appendix has given and has not withdrawn its written consent to the issue of this document with the inclusion of its/his reports and/or letters and/or opinions and/or summary thereof (as the case may be) and/or reference to its/his name included herein in the form and context in which they respectively appear.

8. Binding effect

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

9. Registration procedures

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

10. 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. Profits from dealings in Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

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

(c) Consultation with professional advisers

Intending holders of our Shares are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares. It is emphasised that none of our Company, our Directors or other parties involved in the [REDACTED] accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

11. No material adverse change

Our Directors confirmed that, save for the expenses expected to be incurred in connection with the [REDACTED], up to the date of this document, there has not been any material adverse change in the financial or trading position or prospects of our Group since 31 October 2022 (being the date to which the latest audited consolidated financial statements of our Group were made up) and there is no event since 31 October 2022 which would materially affect the information shown in our consolidated financial statements included in the Accountants' Report set forth in Appendix I to this document.

12. Miscellaneous

- (a) Save as disclosed in the paragraphs headed "A. Further Information about our Company" and "C. Further Information about Substantial Shareholders, Directors and experts" in this Appendix to this document, within the two years immediately preceding the date of this document:
- (i) no share or loan capital of our Company or any of the subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of the subsidiaries and no commission has been paid or is payable in connection with the issue or sale of any capital of our Company or any of the subsidiaries;
 - (iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any shares or debenture of any of our Company or the subsidiaries;
 - (iv) no founder, management or deferred shares or any debentures of our Company have been issued or agreed to be issued; and
 - (v) no share or loan capital of our Company or any of the subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) Save as disclosed in the section headed "[REDACTED]" in this document, none of the parties listed in the paragraph headed "Consents of experts" in this Appendix is interested legally or beneficially in any securities of our Company or any of its subsidiaries; or has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities of our Company or any of its subsidiaries;

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- (c) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this document;
- (d) No company within our Group is presently [REDACTED] on any stock exchange or traded on any trading system;
- (e) There is no arrangement under which future dividends have been waived;
- (f) Our Group has no outstanding convertible debt securities;
- (g) Our Directors have been advised that, under Cayman Islands law, the use of a Chinese name pre-approved by the Registrar of Companies in the Cayman Islands by our Company in conjunction with the English name does not contravene Cayman Islands law; and
- (h) The English text of this document shall prevail over the Chinese text.

13. Bilingual Document

The English language and Chinese language versions of this document are being published separately in reliance upon the exemption provided in sections 4 and 5 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).