

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Cayman Islands Companies Act as an exempted company with limited liability on 26 October 2018. Our Company has established a place of business in Hong Kong at Unit 1226B, 12/F, Star House, No. 3 Salisbury Road, Kowloon, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 11 January 2019. In connection with such registration, Mr. Chan Ho Chee Gilbert has been appointed as the authorised representative of our Company for acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, its operations are subject to the Cayman Islands Companies Act, the common law of the Cayman Islands and its constitution, which comprises of a memorandum of association and the articles of association. A summary of certain provisions of its constitution and relevant aspects of the Cayman Islands Companies Act and common law are set out in Appendix III to this document.

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

As at the Latest Practicable Date, the authorised share capital of our Company was HK\$100,000,000 divided into 10,000,000,000 Shares of HK\$0.01 each. Assuming that no Shares will be allotted and issued prior to the [REDACTED], immediately following completion of the [REDACTED], the issued share capital of our Company will [REDACTED] divided into [REDACTED] Shares fully paid or credited as fully paid, and [REDACTED]. The following sets out the changes in the share capital of our Company since the date of incorporation.

On 26 October 2018 when our Company was incorporated in the Cayman Islands, the authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. On incorporation of our Company, the Subscriber Share was allotted and issued to the initial subscriber and subsequently transferred to C Centrum on the same date at par.

On 21 December 2018, in consideration of the transfer of the entire issued shares of Wing Fung from Mr. YP Chan to our nominee, Kyoei Seiki Holdings, our Company (i) allotted and issued 49 Shares to C Centrum (as nominee of Mr. YP Chan, the beneficial owner), credited as fully paid; and (ii) credited the Subscriber Share as fully paid and registered in the name of C Centrum.

On 21 December 2018, in consideration of the transfer of the entire issued share of Best Linking from Mr. HT Chen (being the legal owner), under the direction of Mr. YP Chan (being the beneficial owner), to our nominee, Best Linking Holdings, our Company allotted and issued 50 Shares to C Centrum (as nominee of Mr. YP Chan, the beneficial owner), credited as fully paid.

On 21 October 2019, pursuant to the written resolutions of our then sole Shareholder passed on the even date, the authorised share capital of our Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$100,000,000 divided into 10,000,000,000 Shares of par value HK\$0.01 each by the creation of an additional 9,962,000,000 Shares of par value HK\$0.01 each which rank *pari passu* in all respects with the existing Shares.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Immediately following completion of the GEM Share Offer and the capitalisation issue (the “**GEM Capitalisation Issue**”) for the purpose of the GEM Listing (without taking into account of any Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme), 400,000,000 Shares were allotted and issued as fully paid or credited as fully paid, and 600,000,000 Shares remained unissued.

Save as disclosed above, there has been no alteration in the share capital of our Company since its incorporation up to the Latest Practicable Date.

3. Resolutions of our Board in respect of the [REDACTED]

Pursuant to the resolutions passed by our Directors on 20 March 2023, *inter alia*:

- (a) subject to the grant of approval from the Listing Committee of the Stock Exchange for the [REDACTED], our Shares shall be [REDACTED] to be [REDACTED] on the Main Board; and
- (b) conditional on the Listing Committee granting the approval for the [REDACTED], the Share Option Scheme remains valid and effective, subject to changes in relation to the [REDACTED] including but not limited to all references to the GEM Listing Rules therein shall mean the Listing Rules and the specific reference to any rule of the GEM Listing Rules shall be deemed to refer to the corresponding rule in the Listing Rules with the equivalent content.

4. Changes in share capital of subsidiaries

Our Company’s subsidiaries are referred to in the Accountants’ Report, the text of which is set out in Appendix I to this document.

There was no change in the share capital or registered capital of our subsidiaries during the two years preceding the date of this document.

5. Repurchase by our Company of its own securities

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

(a) Provisions of the Listing Rules

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

(i) Shareholders’ approval

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

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Note: Pursuant to the annual general meeting of the Company on 17 June 2022, our Shareholders have granted a repurchase mandate (the “**Repurchase Mandate**”) to our Directors to exercise all powers of our Company to purchase Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, subject to and in accordance with all the applicable laws and the requirements of the Listing Rules or equivalent rules or regulations of such other stock exchange, an aggregate number of Shares not exceeding 10% of the aggregate number of Shares in issue as at the date of passing of the resolutions.

The Repurchase Mandate will continue to be valid and remain in effect until the earliest of (i) the conclusion of the next annual general meeting of our Company; (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by our Articles or any applicable Cayman Islands law; or (iii) the date on which such authority given to our Directors is revoked or varied by an ordinary resolution of our Shareholders in a general meeting of our Company.

(ii) Source of funds

Any repurchase by our Company must be paid out of funds legally available for the purpose in accordance with our Company’s Memorandum and Articles of Association and the applicable laws, rules and regulations of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time. Under Cayman Islands law. Any repurchase by our Company may only be made out of profits of our Company, or from sums standing to the credit of our share premium account, or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase, or, if so authorised by its articles of association and subject to the provisions of the Companies Act, out of our share capital. Any premium payable on a purchase over the par value of the shares to be purchased must be provided for out of profits of our Company or from sums standing to the credit of our Company’s share premium account, or, if so authorised by its articles of association and subject to the provisions of the Companies Act, out of our share capital.

(iii) Core connected parties

A company is prohibited from knowingly repurchasing securities from a “core connected person”, which includes a Director, chief executive or Substantial Shareholder of our Company or any of its subsidiaries or their respective close associates, and a core connected person shall not knowingly sell his securities to our Company on the Stock Exchange.

(b) Reasons for repurchases

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

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(c) Funding of repurchase

The repurchases of securities would be funded entirely from our Company's funds legally available in accordance with the Articles, the Listing Rules and the applicable laws of the Cayman Islands for such purpose.

On the basis of the current financial position of our Group as disclosed in this document and taking into account the current working capital position of our Group, our Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or the gearing position of our Group 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 the working capital requirements of our Group or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Group.

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after the [REDACTED], would result in up to [REDACTED] Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force. [As at the Latest Practicable Date, the Repurchase Mandate had not been utilised and will be lapsed at the conclusion of the next annual general meeting of our Company.]

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, has any present intention 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 and the applicable laws of the Cayman Islands.

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

If, as a result of a securities repurchase, a Shareholder's proportionate interest in the voting rights of our Company is increased, 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 (as defined in the Takeovers Code), could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

FURTHER INFORMATION ABOUT THE BUSINESS OF OUR GROUP

6. Summary of material contracts

Other than the Supplemental Deed of Indemnity executed by our Controlling Shareholders in favour of our Company, there are no other contract (not being contracts in the ordinary course of business) entered into by members of our Group within the two years preceding the date of this document and are or may be material.

7. Intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group has registered the following trademarks which are material to our business:

No.	Trademark	Registration number	Name of registered owner	Class	Place of registration	Expiry date/ Renewal due date
1	EUSC	9729454	Kyoei Seiki	7	PRC	6 September 2032
2	JSG	9729453	Kyoei Seiki	7	PRC	13 November 2032
3	JSG	304310171	Wing Fung	7	Hong Kong	22 October 2027
4	KWP	26963913	Wing Fung	6	PRC	6 October 2028
5	KWP	304310199	Wing Fung	6	Hong Kong	22 October 2027
6	KWP	26963937	Wing Fung	7	PRC	6 December 2028
7	KWP	304315923	Wing Fung	7	Hong Kong	26 October 2027
8	KYOEI	6398500	Kyoei Seiki	7	PRC	6 March 2030
9	KYOEI	304310153	Wing Fung	7	Hong Kong	22 October 2027
10	NISSHO SEIKO	7838370	Kyoei Seiki	7	PRC	13 April 2031
11	共榮	6398499	Kyoei Seiki	7	PRC	6 March 2030
12	共榮精機	23476819	Kyoei Seiki	7	PRC	6 April 2028
13		6398501	Kyoei Seiki	7	PRC	6 March 2030
14		304758535	Best Linking	7, 12	Hong Kong	4 December 2028
15	KYOEI SEIKI	305042538	Kyoei Seiki	6, 7	Hong Kong	29 August 2029
16	KANGWON PARTS	26963691	Wing Fung	6	PRC	6 December 2028
17	KANGWON PARTS	26967022	Wing Fung	7	PRC	6 December 2028
18	NISSHO	304310180	Wing Fung	7	Hong Kong	22 October 2027

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Trademark	Registration number	Name of registered owner	Class	Place of registration	Expiry date/ Renewal due date
19	KYOEI SEIKI	40668244	Kyoei Seiki	6	PRC	13 April 2030
20	KYOEI SEIKI	40665195	Kyoei Seiki	7	PRC	13 April 2030
21	KYONSK	9891543	Kyoei Seiki	7	PRC	27 October 2032
22	NISSHONSK	9891578	Kyoei Seiki	7	PRC	27 October 2032
23	日昭	7838368	Kyoei Seiki	7	PRC	27 June 2031
24	NISSHO	9003792	Kyoei Seiki	7	PRC	20 February 2032

(b) *Patents*

As at the Latest Practicable Date, our Group had registered the following patents which are material to our business:

No.	Patent	Patentee	Jurisdiction	Patent Number	Expiry Date
1	Adjustable numerical control length measuring instrument (一種可調數控測長儀)	Kyoei Seiki	PRC	ZL 2016 2 1175518. X	27 October 2026
2	Driving maintenance lifting mechanism (一種行車維修升降機構)	Kyoei Seiki	PRC	ZL 2016 2 1175510.3	27 October 2026
3	High efficiency quenching sensor (高效淬火感應器)	Kyoei Seiki	PRC	ZL 2016 2 1181584.8	27 October 2026
4	Numerical control length measuring instrument (一種數控測長儀)	Kyoei Seiki	PRC	ZL 2016 2 1175543.8	27 October 2026
5	Ring shape quenching sensor (一種環狀淬火感應器)	Kyoei Seiki	PRC	ZL 2016 2 1175380.3	27 October 2026
6	Ring spreader (一種環件吊具)	Kyoei Seiki	PRC	ZL 2016 2 1175541.9	27 October 2026
7	Single gear quenching sensor (一種單齒淬火感應器)	Kyoei Seiki	PRC	ZL 2016 2 1175554.6	27 October 2026
8	Slewing ring automatic clamping device (一種迴轉支承自動夾持設備)	Kyoei Seiki	PRC	ZL 2016 2 1178366.9	27 October 2026
9	Slewing ring automatic oil filling device (一種迴轉支承自動注油裝置)	Kyoei Seiki	PRC	ZL 2016 2 1176918.2	27 October 2026
10	Slewing ring measuring rod (迴轉支承測量杆)	Kyoei Seiki	PRC	ZL 2018 2 0103483.1	22 January 2028
11	Slewing ring measuring rod (迴轉支承測量杆)	Kyoei Seiki	PRC	ZL 2018 2 0103484.6	22 January 2028

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

No.	Patent	Patentee	Jurisdiction	Patent Number	Expiry Date
12	Slewing ring for large heavy loader in the port (一種港口大型重載裝卸機的迴轉支承)	Kyoei Seiki	PRC	ZL 2018 2 0104183.5	22 January 2028
13	Slewing ring for large loader (大型裝載車的迴轉支承)	Kyoei Seiki	PRC	ZL 2018 2 0103481.2	22 January 2028
14	Automatic coolant circulation system (一種冷卻液自動循環系統)	Kyoei Seiki	PRC	ZL 2019 2 1017533.5	2 July 2029
15	Slewing ring for mixing truck (一種攪拌自卸車的迴轉支承)	Kyoei Seiki	PRC	ZL 2019 2 1017532.0	2 July 2029
16	Slewing ring for forklift (一種叉車用的迴轉支承)	Kyoei Seiki	PRC	ZL 2019 2 1018463.5	2 July 2029
17	Taper reamer clamp (一種錐度鉸刀刀夾)	Kyoei Seiki	PRC	ZL 2019 2 1017057.7	2 July 2029
18	Slewing ring radial measuring platform (一種迴轉支承徑向檢測台)	Kyoei Seiki	PRC	ZL 2020 2 1266912.0	2 July 2030
19	Slewing ring for logging machine (一種伐木機械用迴轉支承)	Kyoei Seiki	PRC	ZL 2020 2 1269336.5	2 July 2030
20	Slewing ring for container mobile equipment in the port (一種港口集裝箱移動設備用迴轉支承)	Kyoei Seiki	PRC	ZL 2020 2 1266869.8	2 July 2030
21	Slewing ring for log grabber (一種抓木器用迴轉支承)	Kyoei Seiki	PRC	ZL 2020 2 1269601.X	2 July 2030
22	Slewing ring for crawler crane (一種履帶吊機用的迴轉支承)	Kyoei Seiki	PRC	ZL 2021 2 0946679.9	6 May 2031
23	Slewing ring for crusher (一種破碎機用的迴轉支承)	Kyoei Seiki	PRC	ZL 2021 2 0946686.9	6 May 2031
24	Slewing ring for multi-function excavator (一種多功能挖掘機用的迴轉支承)	Kyoei Seiki	PRC	ZL 2021 2 0947403.2	6 May 2031
25	Slewing ring for steel grabber (一種抓鋼機用迴轉支承)	Kyoei Seiki	PRC	ZL 2021 2 0946678.4	6 May 2031
26	Slewing ring for agricultural multi-function harvester (一種農用多功能收穫機用迴轉支承)	Kyoei Seiki	PRC	ZL 2022 2 0900739.8	19 April 2032
27	Slewing ring for lifting machinery (一種隨車起重機用迴轉支承)	Kyoei Seiki	PRC	ZL 2022 2 0901073.8	19 April 2032

As at the Latest Practicable Date, the Group had applied the following patents which are material to our business:

No.	Patent	Patentee	Jurisdiction	Application Number	Application Date
1	Raceway grinding machine clamp (一種滾道床用刀夾)	Kyoei Seiki	PRC	2022209006094	19 April 2022
2	Slewing ring for train track crane (一種火車軌道吊機用迴轉支承)	Kyoei Seiki	PRC	2022209007773	19 April 2022

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(c) *Domain name*

As at the Latest Practicable Date, our Group had registered the following domain names:

Domain name	Date of registration	Expiry date
www.kyoei.asia	1 February 2012	1 February 2024
www.blg.hk	5 January 2019	5 January 2024
www.wfm.com.hk	31 May 2017	31 May 2023
www.bestlinking.hk	6 April 2011	6 April 2026

Save as disclosed 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.

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF

8. Directors

(a) *Particulars of service contracts and letters of appointment*

Each of Mr. YP Chan and Mr. LP Chan, being all our executive Directors, has entered into a service contract with our Company on 21 October 2019. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

- (i) each service contract is of three years commencing from the GEM Listing Date and will continue thereafter until terminated in accordance with the terms of the service contracts;
- (ii) the current annual salary for each of our executive Directors is set out below, such salary may be reviewed annually by the Board and the Remuneration Committee; and
- (iii) each of our executive Directors is entitled to such discretionary bonus by reference to the consolidated net profits of our Group after taxation and minority interests but before extraordinary items as the Board and the Remuneration Committee may approve, provided that the relevant executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, discretionary bonus and other benefits payable to him.

Under the service contracts, the current basic annual salaries of our executive Directors (including director's fee) are as follows:

Name	Amount <i>HK\$'000</i>
Mr. YP Chan	862
Mr. LP Chan	420

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Each of our independent non-executive Directors has entered into a letter of appointment with our Company on [21 October 2019]. Each letter of appointment is for an initial term of one year commencing from the GEM Listing Date and shall be automatically renewed for another year, until terminated by either party giving at least one month's notice in writing. Under the letters of appointment, the annual director's fees payable to our independent non-executive Directors are as follows:

Name	Amount <i>HK\$'000</i>
Mr. Adrian Chan	180
Ms. Tsang	144
Ms. Tam	144

Save as aforesaid, none of our Directors has or is proposed to have a service contract with our Company or any of its subsidiaries (other than contracts expiring or determinable by our Group within one year without the payment of compensation (other than statutory compensation)).

(b) Directors' remuneration

During the Track Record Period, the aggregate of the remuneration (including salaries, employer's contribution to pension fund scheme and allowance, if any) paid by our Group to our Directors was approximately HK\$1.6 million, HK\$1.8 million and HK\$2.0 million respectively.

Under the arrangements currently in force, the aggregate emoluments (excluding any discretionary bonus, if any, payable to our Directors) payable by our Group to and benefits in kind receivable by our Directors for the year ending 31 December 2023 is estimated to be approximately HK\$2.0 million.

None of our Directors or any past director of any member of our Group has been paid any sum of money for each of the Track Record Period (i) as 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 a Director has waived or agreed to waive any emolument for the Track Record Period.

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

So far as our Directors are aware, immediately upon the [REDACTED], and without taking into account of any Share which may be allotted and issued pursuant to the exercise of any option which may be granted under the Share Option Scheme, the interests or short positions of our Directors and the chief executives of our Company in the Shares, underlying Shares and debentures of our Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules will be as follows:

Name	Capacity/Nature of interest	Number of Shares held	Percentage of shareholding
Mr. YP Chan	Interest in controlled corporation ^(Note 2)	[REDACTED] Shares (L) ^(Note 1)	[REDACTED]%

Notes:

- (1) The letter “L” denotes the person’s long position in the relevant Shares.
- (2) Mr. YP Chan legally and beneficially owns the entire issued share of C Centrum and is its sole director. Accordingly, Mr. YP Chan is deemed to be interested in the Share held by C Centrum by virtue of the SFO.

9. Interests discloseable under the SFO and Substantial Shareholders

So far as our Directors are aware, immediately upon the [REDACTED], and without taking into account of any Share which may be allotted and issued upon the exercise of any option which may be granted under the Share Option Scheme, the following persons/entities not being a Director or chief executive of our Company will have an interest or a short position in the Shares or the 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 will be, directly or indirectly, to be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of our Group:

Name	Capacity/Nature of interest	Number of Shares held	Percentage of shareholding
C Centrum	Beneficial owner ^(Note 2)	[REDACTED] Shares (L) ^(Note 1)	[REDACTED]%
Ms. Leung Tak Yee	Interest of spouse ^(Note 3)	[REDACTED] Shares (L) ^(Note 1)	[REDACTED]%

Notes:

- (1) The letter “L” denotes the person/entity’s long position in the relevant Shares.
- (2) The entire issued shares of C Centrum is legally and beneficially owned by Mr. YP Chan. Accordingly, Mr. YP Chan is deemed to be interested in the [REDACTED] Shares held by C Centrum by virtue of the SFO.
- (3) Ms. Leung Tak Yee is the spouse of Mr. YP Chan and is deemed to be interested in all the underlying Shares that Mr. YP Chan is interested through C Centrum by virtue of the SFO.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

10. Related party transactions

During the Track Record Period, our Group was engaged in the related party transactions as mentioned in Note 29 of the Accountant's Report set out in Appendix I to this document.

11. Disclaimers

Save as disclosed in this document:

- (a) and without taking into 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, our Directors are not aware of any person or entity who immediately upon the [REDACTED] will have an interest or a short position in the Shares and 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 is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of any member of our Group;
- (b) so far as our Directors are aware, without taking into account of any Share that may be allotted and issued pursuant to the exercise of any option which may be granted under the Share Option Scheme, none of our Directors or chief executives of our Company has any interest or short position in the Shares, underlying Share or debenture of our Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have taken 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 will be required to be notified to our Company and the Stock Exchange pursuant to the "Model Code for Securities Transactions by Directors of Listed Issuers" as set out in Appendix 10 to the Listing Rules;
- (c) none of our Directors nor the experts named in the paragraph headed "18. Qualifications and consents of experts" in this appendix has been interested in the promotion of, or has any direct or indirect interest in any asset acquired or disposed of by or leased to, any member of our Group within the two years immediately preceding the date of this document, or which are proposed to be acquired or disposed of by or leased to any member of our Group;
- (d) none of our Directors nor the experts named in the paragraph headed "18. Qualifications and consents of the 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;
- (e) none of the experts named in "18. Qualifications and consents of experts" in this appendix has any shareholding in any member in our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in our Group; and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (f) none of our Directors has entered or has proposed to enter into any service agreement with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

SHARE OPTION SCHEME

12. Share Option Scheme

The following is a summary of the principal terms of the Share Option Scheme adopted on 21 October 2019 (the “**Adoption Date**”), which shall remain valid and effective following the [REDACTED] and subject to full compliance with Chapter 17 of the Listing Rules. (with reference to the GEM Listing Rules be deemed to refer to the corresponding rule in the Listing Rules with the relevant content.)

(a) *Summary of terms*

(i) *Purpose of the Share Option Scheme*

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), Directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners and service providers of our Group and to promote the success of the business of our Group.

(ii) *Who may join and basis of eligibility*

The basis of eligibility of any participant to the grant of any option to subscribe for Shares pursuant to the Share Option Scheme and for the time being subsisting (the “**Option**”) shall be determined by our Board (or as the case may be, where required under the Listing Rules, the independent non-executive Directors) from time to time on the basis of the contribution or potential contribution of (a) any full-time or part-time employee of any member of our Group; (b) any consultant or adviser of any member of our Group; (c) any Director (including executive, non-executive or independent non-executive Directors) of any member of our Group; (d) any Substantial Shareholder of our Group; (e) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of our Group, to be determined absolutely by our Board (the “**Participant**”) to the development and growth of our Group.

Note:

Pursuant to the amendment of Chapter 17 of the Listing Rules which took effect on 1 January 2023, eligible participants to the Share Option Scheme shall comprise one or more of the following:

- (a) Directors and employees of the Company or any of our subsidiaries (including persons who are granted options or awards under the scheme as an inducement to enter into employment contracts with us (“**Employee Participants**”));
- (b) Directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Entity Participants**”); and
- (c) Persons who provide services to us on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of our Group (“**Service Providers**”). Service Providers may include, for example, persons who work for the issuer as independent

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

contractors where the continuity and frequency of their services are akin to those of employees. For the avoidance of doubt, Service Providers should exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions. Service Providers should also exclude professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

(iii) Subscription Price

The price per Share at which a Participant accepting the offer of the grant of an Option in accordance with the terms of the Share Option Scheme (the “**Grantee**”) shall be a price solely determined by our Board and notified to a 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 on which an option is offered to a Participant (the “**Offer Date**”), which must be a business day; (ii) the average closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five business days immediately preceding the Offer Date; and (iii) the nominal value of a Share on the Offer Date, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent (the “**Subscription Price**”).

(iv) Grant of Options and acceptance of offers

An offer of the grant of an Option must be accepted in its entirety within seven days inclusive of the day on which such offer was made. The amount payable by the Grantee to our Company on acceptance of the offer of the grant of an Option is HK\$1.00.

(v) Maximum number of Shares

- (aa) Subject to sub-paragraphs (bb) and (cc) 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 period commencing on the Adoption Date and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof (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 40,000,000 Shares, being 10% of the Shares in issue as at the time dealings in the Shares first commence on the Stock Exchange upon GEM Listing.
- (bb) The 10% limit as mentioned in sub-paragraph (aa) above may be refreshed at any time by approval of our Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of our Company must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Share Option Scheme and any other share option schemes of our Company (including those outstanding, cancelled or lapsed in accordance with the terms of the Share Option Scheme and any other share option schemes of our Company) will not be counted for the

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

purpose of calculating the refreshed 10% limit. A circular must be sent to our Shareholders containing the information as required under the Listing Rules in this regard.

- (cc) Our Company may seek separate approval by our Shareholders in general meeting for granting options beyond the 10% limit as mentioned in sub-paragraphs (aa) and (bb) above provided the options in excess of the 10% limit are granted only to Participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a generic description of the specified persons who may be granted such Options, the number and terms of such Options to be granted and the purpose of granting such Options to the specified persons with an explanation of how the terms of the Options will serve such purpose and all other information required under the Listing Rules.
- (dd) The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company must not, in aggregate, exceed 30% of the Shares in issue from time to time. No options may be granted under the Share Option Scheme or any other share option schemes of our Company if this will result in the limit being exceeded.
- (ee) If our Company conducts a share consolidation or subdivision after the 10% limit has been approved in the general meeting, the maximum number of securities that may be issued upon exercise of all options to be granted under the Share Option Scheme under the 10% limit as a percentage of the total number of issued shares at the date immediately before and after such consolidation or subdivision shall be the same.

(vi) *Maximum entitlement of each participant*

The total number of Shares issued and to be issued upon the exercise of Options granted and to be granted to each Participant (including both exercised and outstanding Options) under the Share Option Scheme in any 12 month period up to the date of grant must not exceed 1% of the Shares in issue from time to time. Where any further grant of Options to a Participant would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such Participant (including exercised, cancelled and outstanding Options) in the 12 month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Participant and his close associates (or his associate if such Participant is a connected person) abstaining from voting, and the number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before Shareholders' approval. In such event, our Company must send a circular to our Shareholders containing the identity of the Participant and his close associates, the number and terms of the Options to be granted (and options previously granted to such Participant), and all other information required under the Listing Rules. The date of

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

the meeting of our Board proposing such further grant should be taken as the date when an offer of the grant of an Option is made to a Participant for the purpose of calculating the Subscription Price under (iii) above.

(vii) Grant of options to certain connected persons

- (aa) Each grant of Options to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates must be approved by independent non-executive Directors of our Company (excluding any independent non-executive Director who is the Grantee).
- (bb) Where any grant of Options to a Substantial Shareholder or an independent non-executive Director of our Company or any of their respective associates would result in the total number of Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) under the Share Option Scheme and any other share option schemes of our Company to such person in any 12 month period up to and including the date of grant:
 - (i) representing in aggregate over 0.1% of the Shares in issue; and
 - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by Shareholders at a general meeting of our Company, with voting to be taken by way of poll. Our Company shall send a circular to our Shareholders containing all information as required under the Listing Rules in this regard. The grantee, his associate and all core connected persons of our Company shall abstain from voting (except where any of such person intends to vote against the proposed grant and his intention to do so has been stated in the aforesaid circular). Any change in the terms of an option granted to a Substantial Shareholder of our Company or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

(viii) Restrictions on the times of grant of Options

- (aa) No offer of the grant of an Option may 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 and the SFO. No Option may be granted during the period commencing one month immediately preceding the earlier of:
 - (i) the date of the meeting of our Board (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 any other interim period (whether or not required under the Listing Rules); and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (ii) the deadline for our Company to publish an announcement of our results for any year, half-year, quarterly period or any other interim period (whether or not required under the Listing Rules).
- (bb) Further to the restrictions in paragraph (aa) above, no option may be granted to a Director on any day on which financial results of our Company are published and:
 - (i) 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
 - (ii) 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.

(ix) Time of exercise of option

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period for the exercise of an Option to be notified by our Board to the Grantee, but in any event shall not exceed 10 years from the date on which an Option is offered to a Participant.

(x) Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of our Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be on or before the date of allotment, 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.

(xi) Rights are personal to grantee

An Option shall be personal to the Grantee and shall not be transferable or assignable and shall be personal to the Grantee of the Option. No Grantee shall in any way 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 (where the Grantee is a company, any change of its major Shareholder or any substantial change in its management as determined by our Board at its sole discretion will be deemed to be a sale or transfer of interest as aforesaid, if so determined by our Board at its sole discretion). Any breach of these restrictions will automatically render the Options lapsed.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(xii) Rights on cessation of employment by death

In the event that the Grantee (being an individual) dies before exercising the Option in full, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement (to the extent which has become exercisable and not already exercised) within the period of 12 months following his death provided that where any of the events set out in (xvi), (xvii) and (xviii) below occurs prior to his death or within such period of 6 months following his death, then his personal representative(s) may so exercise the Option within such of the various periods respectively set out in such clauses and provided further that if within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts as specified in (xiii) below which would have entitled our Company to terminate his employment prior to his death, our Board may at any time forthwith terminate the Option of the Grantee (to the extent not already exercised) by written notice to his legal personal representatives.

(xiii) Rights on cessation of employment by dismissal

In the event that the Grantee is an employee of our Group when an offer is made to him and he subsequently ceases to be an employee of our Group for any reason other than his death or the termination of his employment on one or more of the grounds that he has been guilty of 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 involving his integrity or honesty or (if so determined by our Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable law or under the Grantee's service contract with our Group, his option will lapse automatically and not be exercisable (to the extent not already exercised) on the date of cessation of his employment with our Group. A resolution of our Board or our board of Directors of the relevant member of our Group to the effect that employment of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph shall be conclusive and binding on the Grantee.

(xiv) Rights on cessation of employment for other reasons

In the event that the grantee is an employee of our Group when an offer is made to him and he subsequently ceases to be an employee of our Group for any reason other than his death or the termination of his employment on one or more of the grounds specified in (xiii) above, the Option (to the extent not already exercised) shall lapse on the expiry of three months after the date of cessation of such employment (which date will be the last actual working day with our Company or the relevant member of our Group whether salary is paid in lieu of notice or not).

(xv) 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, 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 our Company is a party), such corresponding adjustments (if any) shall be made in: (a) the number of Shares subject to the

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Option so far as unexercised; and/or (b) the Subscription Prices for the Shares subject to the Option so far as unexercised, as the auditors shall certify in writing or the independent financial adviser of our Company shall certify or confirm in writing (as the case may be) to our Board to be in their opinion fair and reasonable and in compliance with the relevant provisions of the Listing Rules, or any guideline or supplemental guideline issued by the Stock Exchange from time to time (no such certification is required in case of adjustment made on a capitalisation issue), provided that any alteration shall give a Grantee, as near as possible, the same proportion of the issued share capital of our Company as 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.

(xvi) Rights on a general offer

In the event of a general 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 person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional, the Grantee (or, where permitted under (xii) above, his legal personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already lapsed or exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

(xvii) Rights on winding up

In the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind up our Company, our Company shall on the same date as or soon after it despatches such notice to each member of our Company give notice thereof to all Grantees and thereupon, each Grantee (or, where permitted under (xii) above, his legal personal representative(s)) shall be entitled to exercise all or any of his options 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 subscription 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 the relevant Shares to the Grantee credited as fully paid.

(xviii) 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 of our Company to consider such a compromise or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date not later than two business days prior to the date of the general meeting directed to be convened by the court for the purposes of

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

considering such compromise or arrangement (the "**Suspension Date**"), by giving notice in writing to our Company accompanied by a remittance for the full amount of the aggregate Subscription 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, lapse and determine. Our Board shall endeavour 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 its officers.

(xix) Lapse of Options

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

- (aa) the expiry of the period referred to in paragraph (ix) above;
- (bb) the date on which the Grantee commits a breach of paragraph (xi);
- (cc) the expiry of any of the periods or the occurrence of the relevant events referred to in paragraphs (xii), (xiv), (xvi), (xvii) or (xviii) above;
- (dd) subject to paragraph (xvii) above, the date of the commencement of the winding up of our Company;
- (ee) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangement or composition with his creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his integrity or honesty;
- (ff) 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
- (gg) the occurrence of the relevant events referred to in paragraph (xiii) above.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

(xx) Cancellation of options granted but not yet exercised

Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Participant, as our Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

(xxi) Period of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, and expiring at the close of business on the business day immediately preceding the tenth anniversary thereof, after which period no further Options shall be granted. All options granted and accepted and remaining unexercised immediately prior to expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

(xxii) Alteration to the Share Option Scheme

(aa) The Share Option Scheme may be altered in any respect by resolution of our Board except that alterations of the provisions of the Share Option Scheme as to:

- (i) the definitions of "Participant", "Grantee" and "Option Period"; and
- (ii) the following provisions of the Share Option Scheme:
 - (aa) the purpose of the Share Option Scheme;
 - (bb) determination of eligibility;
 - (cc) duration and administration;
 - (dd) grant of Option;
 - (ee) Subscription Price;
 - (ff) exercise of Options;
 - (gg) lapse of Option;
 - (hh) maximum number of Shares available for subscription;
 - (ii) reorganisation of capital structure;
 - (jj) termination; and
 - (kk) cancellation;

shall not be altered to the advantage of the Grantees or prospective Grantees except with the prior sanction of our Shareholders by a resolution in general meeting, provided that no such alteration shall operate to affect adversely the

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the Articles of our Company for a variation of the rights attached to the Shares.

- (bb) Any alternation to the terms and conditions of the Share Option Scheme which are of a material nature, or any change to the terms of Options granted, or any change to the authority of our Board in respect of alteration of the Share Option Scheme, must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (cc) Any amendment to any term of the Share Option Scheme or the option granted shall comply with the relevant requirements of the Listing Rules.

(xxiii) Termination of the Share Option Scheme

Our Company by resolution in general meeting or our 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.

(xxiv) Conditions of the Share Option Scheme

The Share Option Scheme took effect upon the passing of our then Shareholder's resolution on 21 October 2019 to adopt the Share Option Scheme and was conditional upon the Listing Division granting the listing of, and permission to deal in, the Shares in issue, the Shares which may fall to be issued pursuant to the exercise of any Options granted or which may be granted under the Share Option Scheme, and commencement of dealings in the Shares on GEM. The aforementioned conditions have been fulfilled.

(b) Present status of the Share Option Scheme

As at the Latest Practicable Date, no option has been granted or agreed to be granted by our Company under the Share Option Scheme. A total number of [REDACTED] Shares, representing 10% of the share capital of our Company in issue as at the date of the [REDACTED], may fall to be issued upon exercise of the share options that may be but have not yet been granted under the Share Option Scheme.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

OTHER INFORMATION

13. Tax and other indemnities

Each of our Controlling Shareholders (collectively, the “**Indemnifiers**”) has entered into the Deed of Indemnity (as amended and supplemented by the Supplemental Deed of Indemnity, being the material contract referred to in the paragraph headed “6. Summary of material contracts” in this appendix) with and in favour of our Company (for ourselves and as trustee for each of our subsidiaries), to give certain indemnities in favour of the subsidiaries, together with our Company, our “**Group Members**” (each or any of them is referred to as our “**Group Member**”), jointly and severally, in respect of, among other matters, following:

- (a) any and all expenses, payments, sums, outgoings, fees, demands, claims (including counterclaims), complaints, actions, proceedings, suits, litigations, judgments, damages, losses, costs (including but not limited to, legal and other professional costs), charges, contributions, liabilities, fines, penalties (collectively the “**Costs**”) which any Group Members may incur, suffer or accrue, directly or indirectly from or on the basis of or in connection with any failure, delay or defects of corporate or regulatory compliance under, or any breach of any provision of the Inland Revenue Ordinance (Chapter 112 of the Laws of Hong Kong) or any other applicable laws, rules and regulations by our Group Members subsisting prior to the GEM Listing Date (the “**Effective Date**”);
- (b) any alleged or actual violation or any breach or non-compliance incidents by any Group Member with any laws and regulations in the PRC, Hong Kong or other jurisdictions on or before the Effective Date in connection with any claim, counterclaim, assessment, notice, demand or other documents issued or action taken in any of Hong Kong, the PRC, the Cayman Islands, the BVI or in any part of the world whereby it appears that our Company and any of our Group Members are liable or are sought to be made liable for the legal consequences and potential liabilities as disclosed in the section headed “Business” of the GEM Prospectus;
- (c) the restructuring and reorganisation undergone by our Group on or before the GEM Listing Date;
- (d) any litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings whether of criminal, administrative, contractual, tortious nature or otherwise instituted by or against any of our Group Members arising from any act, non-performance, omission or otherwise of our Company or any of our Group Members on or before the Effective Date;
- (e) any irregularities in relation to any corporate documents of any of our Group Members on or before the Effective Date;
- (f) any alleged or actual violation or non-compliance by any of our Group Members with any laws and regulations in the PRC, Hong Kong or other jurisdictions on or before the Effective Date;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (g) any failure to obtain or delay in obtaining the necessary licences, consents or permits under the laws of the Cayman Islands, the BVI, Hong Kong and/or the PRC for any Group Member's valid and legal establishment and/or operation on or before the Effective Date; and/or
- (h) any and all Costs which any of our Group Members may incur, suffer or accrue, directly or indirectly, as a result of or in connection with any matters referred to in paragraphs (b) to (g) above on or before the Effective Date.

Further, pursuant to the Deed of Indemnity (and as amended and supplemented by the Supplemental Deed of Indemnity), the Indemnifiers have jointly and severally given indemnity in respect of, among other matters, any liability for Hong Kong estate duty, if any, which might be incurred by any of our Group Member by reason of transfer of any property to any of the members of our Group on or before the Effective Date.

Our Directors have been advised that no material liability for estate duty is likely to fall on any member of our Group in the Cayman Islands, the BVI and Hong Kong, being the jurisdictions in which the companies comprising our Group are incorporated.

The Deed of Indemnity and the Supplemental Deed of Indemnity do not cover any tax claim and the Indemnifiers shall be under no liability under the Deed of Indemnity or the Supplemental Deed of Indemnity in respect of any tax, tax claim or tax related liability:

- (a) to the extent that full provision or allowance has been made for such taxation in the audited consolidated accounts of our Group Members as set out in Appendix I to the GEM Prospectus for the two financial years ended 31 December 2018 and four months ended 30 April 2019 and in Appendix I to this document for the three financial years ended 31 December 2022 (the "**Accounts**");
- (b) to the extent that the liability for such taxation is caused by the act or omission of, or transaction voluntarily effected by, any Group Member which is carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the Effective Date;
- (c) to the extent that such taxation or liability would not have arisen but for any act or omission by any of our Group Members (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected without the prior written consent or agreement of the Indemnifiers, otherwise than in the ordinary course of business after the Effective Date or carried out, made or entered into pursuant to a legally binding commitment created on or before the Effective Date;
- (d) to the extent that such taxation claim arises or is incurred as a consequence of any retrospective change in laws or regulations or practice by the Hong Kong Inland Revenue Department or any other tax or government authority in any part of the world coming into force after the Effective Date or to the extent such taxation claim arises or is increased by an increase in rates of taxation after the Effective Date with retrospective effect; and

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (e) to the extent of any provision or reserve made for taxation as set out in the Accounts which is finally established to be an over-provision or an excessive reserve in which case the Indemnifiers' liability (if any) in respect of taxation shall be reduced by an amount not exceeding such over-provision or excessive reserve provided that the amount of any such provision or reserve applied pursuant to this sub-paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter and for the avoidance of doubt, such over-provision or excess reserve shall only be applied to reduce the liability of the Indemnifiers under the Deed of Indemnity and the Supplemental Deed of Indemnity as aforesaid.

14. Litigation

Neither our Company nor any of its subsidiaries is 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 against our Company or any of its subsidiaries.

15. Sole Sponsor

The Sole Sponsor has made an application for and on behalf of our Company to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued as mentioned in this document and any Shares which may fall to be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme.

The sole sponsor has declared its independence pursuant to Rule 3A.07 of the Listing Rules. The Sole Sponsor is entitled to a sponsor's fee in relation to the [REDACTED] in the amount of HK\$[REDACTED].

16. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately HK\$44,000 and were paid by our Company prior to the GEM Listing.

17. Promoters

Our Company does not have any promoter (as defined in the Listing Rules). No amount or benefit has been paid or given to the promoter in connection with the [REDACTED] or intended to be paid or given to any promoter.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

18. Qualifications and consents of experts

The qualifications of the experts who have given reports, letter or opinions (as the case may be) in this document are as follows:

Name	Qualification
Goldlink Capital (Corporate Finance) Limited	A licensed corporation under the SFO and permitted to carry out type 6 (advising on corporate finance) regulated activity under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Jia Yuan Law Offices	PRC legal advisers to our Company
Frost & Sullivan International Limited	Industry consultant

Each of the experts named above has given and has not withdrawn their respective written consents to the issue of this document with copies of their reports, letters, opinions or summaries of opinions (as the case may be) and the references to their names included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interest 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.

19. 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.

20. Taxation of holders of Shares

(a) *Hong Kong*

(i) *Profits*

No tax is imposed in Hong Kong in respect of capital gains from the sale of property such as the Shares. Trading gains from the sale of property by persons carrying on a trade, profession or business in Hong Kong where such gains are derived from or arise in Hong

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

Kong from such trade, profession or business will be chargeable to Hong Kong profits tax. Gains from sales of the Shares effected on the Stock Exchange will be considered to be derived from or arise in Hong Kong. Liability for Hong Kong profits tax would thus arise in respect of trading gains from sales of the Shares realised by persons carrying on a business of trading or dealing in securities in Hong Kong.

(ii) Stamp duty

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.26% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares.

(iii) Estate duty

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006. Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

(b) The Cayman Islands

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

Intended holders of the 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 the Shares or exercising any rights attaching to them. It is emphasised that none of our Company, our Directors or the other parties involved in the [REDACTED] can accept responsibility for any tax effect on, or liabilities of, holders of the Shares resulting from their subscription for, purchase, holding or disposal of or dealing in the Shares or exercising any rights attaching to them.

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

21. Miscellaneous

- (a) Save as disclosed in this appendix and the section headed "History and Group Structure" of this document, within two years preceding the date of this document:
 - (i) no share or loan capital 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 paid either for cash or for a consideration other than cash;
 - (ii) 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 its subsidiaries;
 - (iii) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in our Company or any of its subsidiaries; and
 - (iv) no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) Saved as disclosed in this document, no founder, management or deferred shares of our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) Our Directors confirm that, save for disclosed in the paragraph headed "Financial Information" of this document, there has been no material adverse change in the financial or trading position or prospect of our Group since 31 December 2022 (being the date to which the latest audited combined financial statements of our Group were made up) and up to the date of this document;
- (d) None of the equity and debt securities of our Company is listed or dealt with on any other stock exchange nor is any listing or submission to deal being or proposed to be sought;
- (e) None of our Directors nor any of the persons whose names are listed in the paragraph headed "18. Qualifications and consents of experts" in this appendix has received any commission, discount, agency fee, brokerage or other special term in connection with the issue or sale of any share or loan capital of any member of our Group;
- (f) There has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this document;
- (g) Subject to the provisions of the Companies Act, the principal register of members of our Company will be maintained in the Cayman Islands by [REDACTED] and a branch register of members of our Company will be maintained in Hong Kong by [REDACTED]. Unless our Directors otherwise agree, all transfers and other documents of title of the 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;

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (h) All necessary arrangements have been made to enable the Shares to be admitted into CCASS for clearing and settlement;
- (i) There is no arrangement under which future dividends have been waived or agreed to be waived;
- (j) No company within our Group is presently listed on any stock exchange or traded on any trading system (other than the Stock Exchange); and
- (k) Our Company has no outstanding convertible debt securities.

22. Further information about our PRC establishment

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

- (i) Name of the enterprise: 東莞共榮精密機械有限公司 (Kyoei Seiki Co., Limited*)
- (ii) Date of establishment: 5 September 2007
- (iii) Nature: Wholly foreign-owned enterprise
- (iv) Registered owner: Wing Fung Machinery Company Limited
- (v) Total investment: HK\$20,000,000
- (vi) Registered capital: HK\$20,000,000
- (vii) Attributable interests to our Group: 100%
- (viii) Term of operation: 5 September 2007 to 5 September 2024

23. Bilingual document

The English language and Chinese language versions of this document are being published separately. In case of any discrepancies between the English language version and the Chinese language version of this document, the English language version shall prevail.