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1. FURTHER INFORMATION ABOUT OUR COMPANY

(i) Incorporation

Our Company was incorporated on 18 February 2021 in the Cayman Islands as an exempted company with limited liability under the Companies Act. We have established a principal place of business in Hong Kong at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong, and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 8 July 2021. Ms. Xue Yuchun and Ms. Lai Janette Tin Yun have been appointed as the authorized representatives of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for service of process on our Company in Hong Kong is the same as our principal place of business in Hong Kong.

As we are incorporated in the Cayman Islands, our corporate structure, Memorandum of Association and Articles of Association are subject to the laws of the Cayman Islands. A summary of our constitution and the relevant aspects of Cayman Islands company law is set out in Appendix III to this document.

(ii) Changes in Share Capital of our Company

- (a) on 18 February 2021, our Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorized share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.00 each, of which one ordinary share was allotted and issued to the initial subscriber, an Independent Third Party, which then transferred such one ordinary share to Mr. Chen on the same day. On the same day, 16,719 ordinary shares, 1,440 ordinary shares, 1,305 ordinary shares, 1,086 ordinary shares and 220 ordinary shares were allotted and issued to Mr. Chen, Ms. Wang, Mr. Nie, Mr. Hu and Ms. Xue respectively;
- (b) on 25 April 2021, Mr. Chen, Ms. Wang, Mr. Nie, Mr. Hu and Ms. Xue respectively transferred 16,720 ordinary shares, 1,440 ordinary shares, 1,305 ordinary shares, 1,086 ordinary shares and 220 ordinary shares in the Company to JaiYi Culture, Yuanjin Culture, Youxin Capital, Zhong Lun Culture and Hubei Jiaying Culture respectively;
- (c) on 7 June 2021, the issued and unissued shares of US\$1.00 each in the share capital of our Company were subdivided into 20 Shares of US\$0.05 each, such that the authorised share capital of the Company be subdivided from US\$50,000.00 divided into 50,000 ordinary shares of US\$1.00 each to US\$50,000.00 divided into 1,000,000 Shares of US\$0.05 each;
- (d) on 7 June 2021, our Company allotted and issued 434,336 Shares, 37,407 Shares, 33,900 Shares, 28,211 Shares and 5,715 Shares to JaiYi Culture, Yuanjin Culture, Youxin Capital, Zhong Lun Culture and Hubei Jiaying Culture respectively at par value. On the same day, our Company and Mr. Shen entered into a subscription agreement, pursuant to which our Company allotted and issued 45,011 Shares to Mr. Shen at the consideration of RMB979,000; and

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- (e) on [●], the authorised share capital of our Company was increased from US\$50,000 divided into 1,000,000 Shares of US\$0.05 each to US\$50,000,000 divided into 1,000,000,000 Shares of US\$0.05 each.

Save for aforesaid and as mentioned in the subsection headed “1. Further Information about our Company – (iv) Written Resolutions of our Shareholders passed on [●]” below, there has been no alteration in the share capital of our Company since its incorporation.

(iii) Share Capital of our Company after the [REDACTED]

Immediately following the completion of the [REDACTED] but taking no account of any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED] and the options that may be granted under the Share Option Scheme, the authorised share capital of our Company will be US\$50,000,000 divided into 1,000,000,000 Shares and the issued share capital of our Company will be US\$[REDACTED] divided into [REDACTED] Shares, all fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.

Other than the exercise of the [REDACTED], the exercise of any options which may be granted under the Share Option Scheme or the exercise of the general mandate to issue Shares referred to in the paragraph headed “1. Further Information about our Company – (iv) Written Resolutions of our Shareholders passed on [●]”, our Directors do not have any present intention to issue any part of the authorised but unissued share capital of our Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed in this appendix and the section headed “History, Reorganisation and Corporate Structure” in this document, there has been no alteration in the share capital of our Company since our incorporation.

(iv) Written Resolutions of our Shareholders passed on [●]

Pursuant to the resolutions in writing passed by our Shareholders on [●]:

- (a) our Company approved and adopted the Memorandum and the Articles with effect from the [REDACTED];
- (b) conditional upon (i) the Listing Committee of the Stock Exchange granting the [REDACTED] of, and [REDACTED] in, the Shares in issue and Shares to be issued pursuant to the [REDACTED], the [REDACTED], the exercise of the [REDACTED] and the Shares to be issued upon the exercise of any options which may be granted under the Share Option Scheme; (ii) the [REDACTED] having been fixed on or around the [REDACTED]; (iii) the execution and delivery of the [REDACTED] on or around the [REDACTED]; and (iv) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if

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relevant, as a result of the waiver of any condition(s) by the [REDACTED]) (for itself and on behalf of the [REDACTED]) and the [REDACTED] not being terminated in accordance with their respective terms or otherwise:

- (i) the [REDACTED] and the [REDACTED] were approved and our Directors were authorised to effect the same and to allot and issue the new Shares pursuant to the [REDACTED] and the [REDACTED];
 - (ii) the proposed [REDACTED] of our Shares on the Stock Exchange was approved and our Directors were authorised to implement such [REDACTED];
 - (iii) the [REDACTED] was approved and our Directors were authorised to effect the same and to allot and issue up to [REDACTED] Shares upon the exercise of the [REDACTED]; and
 - (iv) conditional on the share premium account of our Company having been credited as a result of the allotment and issue of the [REDACTED] pursuant to the [REDACTED], our Directors were authorised to allot and issue a total of [REDACTED] Shares credited as fully paid at par by way of capitalisation of the sum of US\$[REDACTED] standing to the credit of the share premium account of our Company, and the Shares to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respects with the existing issued Shares;
- (c) a general unconditional mandate was granted to our Directors to, inter alia, issue, allot and deal with Shares or securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers, provided that:
- (1) the aggregate number of Shares allotted and issued or agreed to be allotted and issued by our Directors shall not exceed:
 - (i) 20% of the aggregate number of Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] (but excluding any Shares which may be issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme); and
 - (ii) the aggregate number of Shares repurchased by our Directors (if any) under the general mandate to repurchase Shares referred to below;
 - (2) the aggregate number of the Shares which our Directors are authorised to allot and issue under this mandate will not be reduced by the allotment and issue of Shares pursuant to:

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- (i) a rights issue;
 - (ii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with our Articles;
 - (iii) any specific authority granted by the Shareholders in general meeting; or
 - (iv) the exercise of any options which may be granted under the Share Option Scheme;
- (3) this general mandate to issue Shares will expire at the earliest of:
- (i) the conclusion of our next annual general meeting;
 - (ii) the expiration of the period within which we are required by any applicable law or our Articles to hold our next annual general meeting; or
 - (iii) when varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;
- (d) a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase Shares with a total number not exceeding 10% of the aggregate number of Shares in issue or to be issued immediately following the completion of the [REDACTED] and the [REDACTED] (excluding any Shares which may be allotted and issued upon the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme). This general mandate relates only to repurchases made on the Stock Exchange, or on any other stock exchange on which the Shares are [REDACTED] (and which is recognised by the SFC and the Stock Exchange for this purpose), and made in accordance with the Listing Rules and all applicable laws. Such mandate will expire at the earliest of:
- (i) the conclusion of our Company's next annual general meeting;
 - (ii) the expiration of the period within which the next annual general meeting is required by our Articles or the Companies Act or any other applicable law of the Cayman Islands to be held; or
 - (iii) the time when such mandate is varied, revoked or renewed by an ordinary resolution of our Shareholders in general meeting;

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- (e) the general unconditional mandate as mentioned in paragraph (c) above was extended by the addition to the aggregate number of the Shares which may be allotted and issued or agreed to be allotted and issued by our Directors pursuant to such general mandate of an amount representing the aggregate number of the Shares purchased by our Company pursuant to the mandate to purchase Shares referred to in paragraph (d) above (up to 10% of the aggregate number of the Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED], excluding any Shares which may fall to be issued pursuant to the exercise of the [REDACTED] or any options which may be granted under the Share Option Scheme); and
- (f) conditional on (1) the Listing Committee of the Stock Exchange granting the [REDACTED] of, and [REDACTED] in, the new Shares to be issued pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme, and (2) the commencement of trading of the Shares on the Stock Exchange, (i) the adoption of the Share Option Scheme was approved and (ii) our Directors were authorised to allot, issue and deal with Shares pursuant to the exercise of any options which may be granted pursuant to the Share Option Scheme.

2. OUR SUBSIDIARIES

The particulars of our subsidiaries are provided in the Accountants’ Report, the text of which is set out in Appendix I in this document.

3. CHANGES IN SHARE CAPITAL OF OUR SUBSIDIARIES

Save as disclosed in the section headed “History, Reorganisation and Corporate Structure” in this document, there has been no other changes in the share capital of our subsidiaries within within the two years immediately preceding the date of this document.

4. CORPORATE REORGANISAION

The companies comprising our Group underwent the Reorganisation in preparation for the [REDACTED] of the Shares on the Stock Exchange. For further details, please refer to the section headed “History, Reorganisation and Corporate Structure – Reorganisation” in this document.

5. SHARE REPURCHASE MANDATE

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

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A. Relevant Legal and Regulatory Requirements

The Listing Rules permit a company whose primary listing is on the Stock Exchange to repurchase its securities on the Stock Exchange subject to certain restrictions, the more 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) on the Stock Exchange by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to the written resolutions passed by our Shareholders on [●], a general unconditional mandate was given to our Directors to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares 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 number of shares of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares which may be issued pursuant to any exercise of the [REDACTED] or the options which may be granted under the Share Option Scheme), such mandate to remain in effect until (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 Articles of Association or any applicable laws to be held, or (iii) such mandate being revoked or varied by an ordinary resolution of our Shareholders in general meeting, whichever occurs first (the “**Relevant Period**”).

(ii) *Source of Funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum of Association and the Articles of Association, the Companies Act, the Listing Rules and the applicable laws of the Cayman Islands. 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. Subject to the foregoing, such repurchases by our Company may only be made out of our Company’s profits, our Company’s share premium account or out of the proceeds of a fresh issue of Shares made for the purpose of the repurchase. Any premium payable on a purchase over the par value of the Shares to be purchased must have been provided for out of either or both of the profits of our Company or our Company’s share premium account. Subject to the provisions of the Companies Act, a repurchase of shares may also be made out of capital.

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(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue. A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange.

The Listing Rules also prohibit a listed company from repurchasing its securities on the Stock Exchange if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange.

A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase our Directors resolve to hold the shares purchased by our Company as treasury shares, shares purchased by our Company shall be treated as cancelled and the amount of our Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorised share capital under the Companies Act.

(v) Suspension of Repurchase

Pursuant to the Listing Rules, a listed company may not make any repurchases of shares after inside information has come to its knowledge until the information has been made publicly available. In particular, during the period of 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 a listed company's results for any year, half-year, quarterly or any other interim period (whether or not required by the Listing Rules); and (b) the deadline for a listed company to publish an announcement of its results for any year or half-year or quarter under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and in each case ending on the date of the results announcement,

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

(vi) Reporting Requirements

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

(vii) Core Connected Persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a “core connected person” (as defined in the Listing Rules), that is, a director, chief executive or substantial shareholder of our Company or any of its subsidiaries or their close associates, and a core connected person is prohibited from knowingly selling his/her securities to the company on the Stock Exchange.

B. Reasons for Repurchases

Our Directors believe that it is in our Company’s and our Shareholders’ best interests for our Directors to have general authority from the Shareholders to enable our Company to execute repurchases of the 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 its earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and our Shareholders.

C. Funding of Repurchases

In repurchasing securities, a listed company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and the Articles of Association, the Listing Rules and the applicable laws of the Cayman Islands.

On the basis of our Company’s current financial position as disclosed in this document and taking into account our Company’s current working capital position, our Directors consider that, if the Repurchase Mandate were to be exercised in full, there might have a material adverse effect on our Company’s working capital and/or our Company’s gearing position as compared with the position disclosed in this document. However, our Directors do not propose

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to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on our Company's working capital requirements or the gearing position which in the opinion of our Directors are from time to time appropriate for our Company.

D. General

Exercise in full of the current Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and the [REDACTED] and assuming the [REDACTED] is not exercised, could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the Relevant Period.

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) have any present intention to sell any Shares to us or our subsidiaries.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands.

If, as a result of a repurchase of Shares, 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 Takeover Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholders' interests, 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 as a result of a repurchase of Shares made immediately after the [REDACTED] of Shares on the Stock Exchange. 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 immediately after the [REDACTED] of the Shares on the Stock Exchange.

Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agrees to waive the Listing Rules requirements regarding the public shareholding referred to above. A waiver of this provision is not normally granted other than in exceptional circumstances.

No core connected person (as defined in the Listing Rules) of our Company has notified us that he or she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

No repurchase of Shares has been made by our Company since its incorporation.

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6. FURTHER INFORMATION ABOUT OUR BUSINESS

A. Summary of Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by our Company or our subsidiaries within the two years preceding the date of this document and are or may be material:

- (1) the equity transfer agreements dated 27 April 2021 entered between each of Mr. Chen, Ms. Wang, Mr. Nie, Mr. Hu and Ms. Xue with Huashi Brand Management, pursuant to which each of Mr. Chen, Ms. Wang, Mr. Nie, Mr. Hu and Ms. Xue transferred their 76.8736%, 6.6207%, 6%, 4.9931% and 1.0115% equity interest in Huashi Media to Huashi Brand Management at the consideration of RMB16,720,000, RMB1,440,000, RMB1,305,000, RMB1,086,000 and RMB220,000 respectively;
- (2) an equity transfer agreement dated 27 April 2021 (as further amended and supplemented by a supplemental agreement dated 6 May 2021) entered into between Huashi HK and Mr. Shen, pursuant to which Mr. Shen transferred 4.5011% equity interest in Huashi Media to Huashi HK at the consideration of RMB979,000;
- (3) a share subscription agreement dated 7 June 2021 entered into between our Company, Mr. Shen and Huashi HK, pursuant to which Mr. Shen subscribed for 45,011 Shares at the consideration of RMB979,000;
- (4) the Deed of Indemnity;
- (5) the Deed of Non-Competition; and
- (6) the [REDACTED].

B. Our Intellectual Property Rights

As at the Latest Practicable Date, we had registered or had applied for the registration of the following intellectual property rights which are material in relation to our business.

(i) Trademarks

As at the Latest Practicable Date, members of our Group have registered the following trademark in Hong Kong and PRC:

No.	Trademark	Type and Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1		35	Huashi Media	Hong Kong	305519223	26 January 2031
2	华视电产	35	Huashi Chuangxiang	PRC	17035385	27 July 2026

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(ii) Copyright

As at the Latest Practicable Date, we had registered 83 computer software copyrights in the PRC, of which the following are, in the opinion of our Directors, material to our business:

No.	Name of Copyright	Place of Registration	Registration Number	Registered Owner	Date of Registration (dd/mm/yyyy)
1	Media Information Integration and Analysis System V1.0 (傳媒信息整合分析系統V1.0)	PRC	2021SR0186136	Huashi Media	03/02/2021
2	Media Business Operation Management System V1.0 (傳媒業務運營管理系統V1.0)	PRC	2021SR0186132	Huashi Media	03/02/2021
3	Media Network Marketing Services System V1.0 (傳媒網絡推廣服務系統V1.0)	PRC	2021SR0186135	Huashi Media	03/02/2021
4	Media Information Management System V1.0 (傳媒信息諮詢管理系統V1.0)	PRC	2021SR0186167	Huashi Media	03/02/2021
5	Advertisement Media Data Analysis System V1.0 (廣告媒體數據分析系統V1.0)	PRC	2021SR0186011	Huashi Media	03/02/2021
6	Advertisement Targeting System V1.0 (廣告精準定位投放系統V1.0)	PRC	2021SR0186134	Huashi Media	03/02/2021
7	Advertisement Branding System V1.0 (廣告創意品牌營銷系統V1.0)	PRC	2021SR0187020	Huashi Media	03/02/2021

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No.	Name of Copyright	Place of Registration	Registration Number	Registered Owner	Date of Registration (dd/mm/yyyy)
8	Advertisement Feedback Analysis System V1.0 (廣告播放反饋分析系統V1.0)	PRC	2021SR0186133	Huashi Media	03/02/2021
9	Brand Planning Precision Marketing Management System V1.0 (品牌策劃精準營銷管理系統V1.0)	PRC	2021SR0899574	Huashi Media	16/06/2021
10	Brand Planning Solutions Advertising Data Analysis Chart System V1.0 (品牌策劃方案廣告數據分析圖系統V1.0)	PRC	2021SR0905097	Huashi Media	17/06/2021
11	Brand Planning and Design Intelligent Display System V1.0 (品牌策劃設計智能展示系統V1.0)	PRC	2021SR0899400	Huashi Media	16/06/2021
12	Integrated Brand Planning Management System V1.0 (品牌策劃項目綜合管控系統V1.0)	PRC	2021SR0899592	Huashi Media	16/06/2021
13	Marketing Sandbox Simulation System V1.0 (市場營銷沙盒模擬系統V1.0)	PRC	2021SR1192353	Huashi Media	12/08/2021
14	Marketing Business Intelligence Solution Management Software V1.0 (市場營銷商業智能解決方案管理軟件V1.0)	PRC	2021SR1192072	Huashi Media	12/08/2021

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No.	Name of Copyright	Place of Registration	Registration Number	Registered Owner	Date of Registration (dd/mm/yyyy)
15	Internet Marketing Service System Management Platform V1.0 (互聯網市場營銷服務體系管理平台V1.0)	PRC	2021SR1192070	Huashi Media	12/08/2021
16	Marketing Team Innovation Practice Platform V1.0 (市場營銷團隊創新實踐平台V1.0)	PRC	2021SR1192069	Huashi Media	12/08/2021
17	Brand Value Assessment Service System V1.0 (品牌價值評估策劃服務系統V1.0)	PRC	2021SR1712005	Huashi Media	12/11/2021
18	Brand Exposure Marketing Service System V1.0 (品牌曝光營銷策劃服務系統V1.0)	PRC	2021SR1712017	Huashi Media	12/11/2021
19	Brand Online Marketing Collaboration System V1.0 (品牌在線營銷協作系統V1.0)	PRC	2021SR1713090	Huashi Media	12/11/2021
20	Web Multimedia Brand Planning and Display Information Release System V1.0 (網絡多媒體品牌策劃展示信息發佈系統V1.0)	PRC	2021SR1713089	Huashi Media	12/11/2021
21	Digital Branding Interactive Display Software V1.0 (數字化品牌策劃交互展示軟件V1.0)	PRC	2022SR0428976	Huashi Media	02/04/2022

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No.	Name of Copyright	Place of Registration	Registration Number	Registered Owner	Date of Registration (dd/mm/yyyy)
22	Brand Planning Data Monitoring System V1.0 (品牌策劃輿情數據監控系統V1.0)	PRC	2022SR0429194	Huashi Media	02/04/2022
23	Data Conversion System for Brand Planning Providers V1.0 (品牌策劃供應商數據轉換系統V1.0)	PRC	2022SR0428975	Huashi Media	02/04/2022
24	User Behaviour Based Brand Marketing Planning System V1.0 (基於用戶行為的品牌營銷策劃系統V1.0)	PRC	2022SR0428977	Huashi Media	02/04/2022
25	Consumer Index Analysis Brand Planning Service System V1.0 (消費者指數分析品牌策劃服務系統V1.0)	PRC	2022SR0429195	Huashi Media	02/04/2022
26	Marketing Simulation System Software (市場營銷仿真模擬系統軟件)	PRC	2022SR0848845	Huashi Media	27/06/2022
27	Corporate Identity and Market Analysis System (企業形象與市場分析系統)	PRC	2022SR0848844	Huashi Media	27/06/2022
28	Brand Value Intelligence Analytics Platform (品牌價值智能分析平台)	PRC	2022SR0848843	Huashi Media	27/06/2022

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No.	Name of Copyright	Place of Registration	Registration Number	Registered Owner	Date of Registration (dd/mm/yyyy)
29	Advertising design and production information management software (廣告設計製品製作信息管理軟件)	PRC	2022SR0848842	Huashi Media	27/06/2022

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(iii) Domain Names

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

No.	Domain Name	Registered Owner	Date of Registration (dd/mm/yyyy)	Date of Expiration (dd/mm/yyyy)
1	youmeimu.com	Huashi Media	20/11/2019	20/11/2024

As of the Latest Practicable Date, we had registered the following patents in relation to our business:

No.	Patent name	Patent category	Registered owner	Place of registration	Registration number	Date of application (dd/mm/yy)	Date of registration (dd/mm/yy)
1.	A light filler device with easy adjustment of angle (一種便於調節補光角度的補光裝置)	Utility Model	Huashi Media	PRC	ZL 2022 2 3177310.X	29/11/2022	21/03/2023
2.	An easy-to-install video device (一種便於安裝的影視跟拍裝置)	Utility Model	Huashi Media	PRC	ZL 2022 2 2828440.9	26/10/2022	21/03/2023
3.	A portable recording device (一種便攜式錄音裝置)	Utility Model	Huashi Media	PRC	ZL 2022 2 2828609.0	26/10/2022	17/02/2023
4.	A camera with easy lens replacement (一種便於更換鏡頭的攝像機)	Utility Model	Huashi Media	PRC	ZL 2022 2 2967433.7	08/11/2022	21/03/2023
5.	An adjustable backdrop (一種便於調節的背景架)	Utility Model	Huashi Media	PRC	ZL 2022 2 3177306.3	29/11/2022	21/03/2023
6.	A portable camera case (一種便攜式攝影箱)	Utility Model	Huashi Media	PRC	ZL 2022 2 2828441.3	26/10/2022	04/04/2023
7.	A camera stand for easy camera angle adjustment (一種便於調節拍攝角度的攝像機支架)	Utility Model	Huashi Media	PRC	ZL 2022 2 3177035.1	29/11/2022	04/04/2023
8.	A system and method for promoting products based on social networking technology (一種基於社交網絡技術的產品推廣系統及方法)	Utility Model	Huashi Media	PRC	ZL 2022 1 0440821.1	26/04/2022	07/04/2023
9.	A smart community messaging device (一種智慧社區的信息宣傳裝置)	Utility Model	Huashi Media	PRC	ZL 2021 1 0701564.8	24/06/2021	07/04/2023
10.	A bulletin board for glow-in-the-dark sights (一種便於夜光觀光的宣傳欄)	Utility Model	Huashi Media	PRC	ZL 2020 1 1544704.7	24/12/2020	07/04/2023

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No.	Patent name	Patent category	Registered owner	Place of registration	Registration number	Date of application (dd/mm/yy)	Date of registration (dd/mm/yy)
11.	An intelligent management system for online live courses based on the mobile internet (一種基於移動互聯網的直播課程在線觀看智能管理系統)	Utility Model	Huashi Media	PRC	ZL 2022 1 0877779.X	25/07/2022	07/04/2023

As of the Latest Practicable Date, we had applied for the registration of the following patents which are material or may be material to our business:

No.	Patent name	Applicant	Place of application	Application number	Date of application (dd/mm/yy)
1.	A stand (一種支架)	Huashi Media	PRC	202223495158.X	27/12/2022
2.	An adjustable stand (一種可調節的支架)	Huashi Media	PRC	202223404182.8	19/12/2022
3.	A multifunctional base (一種多功能底座)	Huashi Media	PRC	202223403469.9	19/12/2022
4.	A carrying case with multiple carrying options (一種具備多種攜帶方式的攜帶箱)	Huashi Media	PRC	202320317362.8	27/02/2023
5.	A shock-absorbing carrying case (一種具備減震功能的攜帶箱)	Huashi Media	PRC	202320325030.4	27/02/2023
6.	A carrying case with a protective structure (一種具備防護結構的攜帶箱)	Huashi Media	PRC	202320767798.7	10/04/2023

Save as disclosed above, there are no other trademarks, domain names, patents or other intellectual property rights which are material in relation to our business.

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7. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

A. Disclosure of Interests

(i) Disclosure of interests and short positions of our Directors and our chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations

Immediately following the completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and options which may be granted under the Share Option Scheme), the interests or short positions of Directors and the chief executive of our Company in the Shares, underlying Shares and debentures of our Company or its associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered into in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, once the Shares are [REDACTED] will be as follows:

Long position in our Shares

Name of Director	Capacity/Nature of Interest	Number of Shares held/ interested	Approximate percentage of shareholding (%)
Mr. Chen (<i>Note 1</i>)	Interest in a controlled corporation	[REDACTED]	[REDACTED]

Note:

- (1) Our Company is held as to approximately [REDACTED]% by JaiYi Culture immediately following completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be allotted and issued upon any exercise of the [REDACTED] and options which may be granted under the Share Option Scheme). The issued share capital of JaiYi Culture is ultimately wholly-owned by Mr. Chen. Therefore, Mr. Chen, is deemed, or taken to be, interested in all the Shares held by JaiYi Culture for the purpose of the SFO.

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Long position in our Company’s associated corporation

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of shares held/ interested	Approximate percentage of shareholding (%)
Mr. Chen	JaiYi Culture	Beneficial owner	1	100

(ii) Disclosure of interests under the SFO and disclosure of interests for substantial Shareholders

So far as is known to any Director or chief executive of our Company, immediately following completion of the [REDACTED] and the [REDACTED] but without taking into account any Shares which may be issued pursuant to the exercise of the [REDACTED] and options that may be granted under the Share Option Scheme, the following persons (other than a Director or chief executive of our Company) will have an interest or short position in the Shares or the underlying Shares which must be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or 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 our Company:

Name	Capacity/Nature of Interest	Number of Shares held/ Underlying Shares held	Approximate percentage of shareholding in our Company (%)
JaiYi Culture (Note 1)	Beneficial owner	[REDACTED]	[REDACTED]

Notes:

- (1) JaiYi Culture Media Limited is wholly-owned by Mr. Chen. Accordingly, Mr. Chen is deemed, or taken to be, interested in all the Shares held by JaiYi Culture for the purpose of the SFO.

B. Particulars of Director’s Service Contract and Appointment Letters

(i) Executive Director

Each of our executive Directors has entered into a service contract with our Company for an initial fixed term of three years commencing from the [REDACTED], which can be terminated before the expiration of the term by not less than three months’ notice in writing served by either party on the other. The service contracts may be renewed in accordance with our Articles of Association and the applicable Listing Rules.

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(ii) Independent non-executive Directors

Each of our independent non-executive Directors has signed an appointment letter with our Company for an initial fixed term of three years commencing from the [REDACTED], which can be terminated before the expiration of the term by not less than three months’ notice in writing served by either party on the other. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

Save as disclosed above, none of our Directors has entered into a service contract with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

C. Directors’ Remuneration

Please refer to the section headed “Directors and Senior Management – Compensation of Directors and Senior Management” in this document for further information on the Directors’ remuneration.

There was no arrangement under which a Director waived or agreed to waive any remuneration for the Track Record Period.

D. Agency Fees or Commission Received

Save as disclosed in this appendix and the section headed “Financial Information” and “[REDACTED]”, no commissions, discounts, agency fees, brokerages or other special terms have been granted to our Directors or the experts named in the paragraph headed “9. Other Information – F. Qualifications of Experts” in this appendix in connection with the issue or sale of any of our capital within the two years ended on the date of this document.

E. Related-Party Transactions

During the two years preceding the date of this document, we were not engaged in any related party transactions save as disclosed in note 31 to the Accountants’ Report set out in Appendix I.

F. Disclaimers

Save as disclosed in the sections headed “Directors and Senior Management”, “Relationship with our Controlling Shareholders” and “Statutory and General Information – 7. Further information about our Directors and Substantial Shareholders – C. Directors’ Remuneration” in this document, and as at the Latest Practicable Date:

- (a) none of our Directors or chief executive of our Company has any interests or short positions in the shares, underlying shares and debentures of our Company or our associated corporations (within the meaning of Part XV of the SFO) which will be required to be notified to our Company and the Stock Exchange pursuant to

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Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to in that section, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to our Company and the Stock Exchange, in each case once the Shares are [REDACTED] on the Stock Exchange;

- (b) so far as is known to any Director, no person has an interest or short position in the Shares and 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 is, 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;
- (c) none of our Directors nor any of the persons listed in the paragraph headed “9. Other Information – F. Qualifications of Experts” below is interested in the promotion of, or in any assets which have been, within the two years immediately preceding the issue 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;
- (d) none of our Directors is materially interested in any contract or arrangement with our Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of our Group taken as a whole;
- (e) save in connection with the [REDACTED], none of the persons listed in the paragraph headed “9. Other Information – F. Qualifications of Experts” below has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (f) save for the [REDACTED], none of the persons listed in the paragraph headed “9. Other Information – F. Qualifications of Experts” below 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;
- (g) none of our Directors or their respective close associates nor, to the knowledge of our Directors, any Shareholders who held more than 5% of the total Shares as at the Latest Practicable Date had any interest in the five largest customers or the five largest suppliers of our Company in each year during the Track Record Period; and

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- (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.

8. SHARE OPTION SCHEME

Summary of terms

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of our Shareholders passed on [●] adopted by a resolution of the Board on [●] (the “**Adoption Date**”). The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

1. Purpose and Eligible Participants and Administration

- 1.1. The purpose of the Share Option Scheme is to enable the Board to grant options (“**Share Options**”) to the Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group. The basis of eligibility of any of the Eligible Participants to the grant of Share Options shall be determined by the Board from time to time on the basis of the Board’s opinion as to his contribution or potential contribution to the development and growth of the Group.

For the purpose of the Share Option Scheme, “**Eligible Participants**” shall include:

- (a) Director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted Options as an inducement to enter into employment contracts with the Company or any of its subsidiaries) (“**Employee Participant(s)**”);
- (b) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (“**Related Party Participant(s)**”); and
- (c) person(s) who provide services to the 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 the Group, including but not limited to person(s) who work for the Company 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, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or those who are required to perform their services with impartiality and objectivity (“**Service Provider(s)**”);

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1.2. The eligibility of any of the Eligible Participants to an offer for the grant of a Share Option (“**Offer**”) shall be determined by the Board from time to time on the basis of the Board’s opinion as to the Eligible Participant’s contribution to the development and growth of the Group. In assessing whether Share Options are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the positive impacts which such Eligible Participant has brought to the Group’s business and development and whether granting Share Options to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

- (a) In assessing the eligibility of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
 - (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
 - (iii) his/her contribution made or expected to be made to the growth of the Group; and
 - (iv) his/her educational and professional qualifications, and knowledge in the industry.
- (b) In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:
 - (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group’s business development in terms of, amongst other things, an increase in turnover or profits and/or an addition of expertise to the Group;
 - (ii) the period of engagement or employment of the Related Entity Participant by the Group;
 - (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
 - (iv) whether the Related Entity Participant has or expected to refer or introduce opportunities to the Group which have or likely to materialize into further business relationships;

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- (v) whether the Related Entity Participant has or expected to assist the Group in tapping into new markets and/or increased its market share; and
 - (vi) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.
- (c) Amongst the Service Providers eligible for the granting of Share Options:
- (i) distributors, contractors, suppliers and agents are to directly contribute to the long term growth of the Group's business by taking roles or providing services that are in a continuing and recurring nature in its ordinary and usual course of business. The work of distributors, contractors, suppliers and agents are closely connected with the Group's principal business, and their performances will contribute to the operating performance and financial results of the Group; and
 - (ii) advisers, consultants and service providers are those who would play significant roles in the Group's business development by contributing their specialized skills and knowledge in the business activities of the Group on a continuing and recurring basis. Such advisers, consultants and service providers would possess industry-specific knowledge or expertise or valuable experience or deep understanding or insight in the business, financial or commercial areas of the Group. Their continuing and recurring engagement and cooperation with the Group would benefit the Group with frequent and successive strategic advice and guidance in its ordinary and usual course of business, which are substantively comparable to contributions of highly-skilled or executive employees of the Group.

In assessing the eligibility of Service Provider(s), the Board will consider all relevant factors as appropriate, including, among others:

- (iii) in respect of agents, distributors, contractors and suppliers:
 - A. the scale of the Service Provider's business dealings with the Group in terms of purchases or sales attributable to him;
 - B. the ability of the Service Provider to maintain the quality of services;

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- C. the performance of the Service Provider(s) and track record, including whether the Service Provider has a proven track record of delivering quality services;
 - D. the benefits and strategic value brought by the Service Provider to the Group's development and future prospects in terms of the profits and/or income attributable to the Service Provider's collaboration with the Group;
 - E. the scale of the Service Provider's collaboration with the Group and the length of business relationships between the Service Provider and the Group; and
 - F. the business opportunities and external connections that the Service Provider has introduced or will potentially introduce to the Group.
- (iv) in respect of advisers, consultants and service provider:
- A. the expertise, professional qualifications and industry experience of the Service Provider;
 - B. the performance and track record of the Service Provider, including whether the Service Provider has a proven track record of delivering quality services;
 - C. the prevailing market fees chargeable by other services providers;
 - D. the Group's period of engagement of or collaboration with the Service Provider; and
 - E. the Service Provider's actual or potential contribution to the Group in terms of a reduction in costs or an increase in turnover or profit;
- 1.3. Subject to the rules of the Share Option Scheme, the Board may, at any time and from time to time during the Scheme Period on a Business Day, at its absolute discretion and on and subject to such terms, conditions, restrictions or limitations as it may think fit in writing offer to grant Share Options to Eligible Participants to subscribe at the Exercise Price (as defined in paragraph 5.1 below) for such number of Shares as the Board may determine.
- 1.4. The Share Option Scheme shall be subject to the administration of the Board whose decision as to all matters arising in relation to the Share Option Scheme or its interpretation or effect shall (save as otherwise provided herein) be final and binding on all parties. The Board shall have the right to (a) interpret and construe the provisions of this Scheme; (b) determine the persons (if any) who shall be offered

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Share Options under the Share Option Scheme, and the number of Shares and Exercise Price of the Share Option, subject to paragraph 5; (c) subject to paragraphs 9 and 11, make such adjustments to the terms of the Share Options granted under the Share Option Scheme to the relevant Eligible Participant who accepted the Offer ("Grantee") as the Board deems necessary, and shall notify the relevant Grantee of such adjustment by written notice; and (d) make such other decisions or determinations as it shall deem appropriate in relation to the Offers and/or the administration of the Share Option Scheme provided that the same are not inconsistent with the provisions of the Share Option Scheme and the Listing Rules. Without prejudice to the generality of the foregoing, the Board may delegate the administration of the exercise and delivery of Shares upon the exercise of Share Options to third party professional service providers as it may think fit.

2. Duration

- 2.1. The Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period, no further Share Options shall be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects. Share Options granted during the life of the Share Option Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the 10-year period.
- 2.2. Grantee shall ensure that the acceptance of the Offer, the holding and exercise of the Share Option in accordance with the Share Option Scheme, the allotment and issue of Shares to him/her upon the exercise of the Share Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he/she is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of a Share Option, require an Eligible Participant or a Grantee (as the case may be) to produce such evidence as they may reasonably require for such purpose.

3. Conditions for the Grant of Share Option

- 3.1. The Share Option Scheme or the grant of any Share Option is conditional on:
 - (a) the passing by the Shareholders at a general meeting of the Company of an ordinary resolution to approve the adoption of the Share Option Scheme and to authorise the Board to grant Share Options under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Share Option; and
 - (b) the Listing Committee of the Stock Exchange granting the approval for the [REDACTED] of, and [REDACTED] in, the Shares to be allotted and issued pursuant to the exercise of any Share Option which may be granted under the Share Option Scheme.

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4. Grant of Share Options

- 4.1. Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of the Share Option Scheme and the Listing Rules, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any Eligible Participant to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe, for such number of Shares (being a [REDACTED] for [REDACTED] in the Shares on the Stock Exchange or an integral multiple thereof) at such price per Share at which a Grantee may subscribe for the Shares on the exercise of a Share Option, as determined in accordance with paragraph 5 (the “**Exercise Price**”), as the Directors shall, subject to paragraph 8 and at their discretion, determine.
- 4.2. Without prejudice to paragraph 8.8 below, the making of an Offer to any Director or chief executive of the Company or substantial shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of a Share Option).
- 4.3. Any Offer shall be made to an Eligible Participant in writing (and otherwise so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares covered by such Share Option, the period during which such Option Period can be exercised (“**Option Period**”) and any terms and conditions, restrictions and/or limitations applicable to the Share Option, and further requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and the Offer shall include a statement to the effect that any acceptance thereof shall render the Eligible Participant to whom the Offer is made bound by the provisions of the Scheme. The Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 30 days from the Offer Date.
- 4.4. An Offer shall state, in addition to the matters specified in paragraph 4.3, the following:
- (a) the name, address and occupation of the Eligible Participant;
 - (b) the number of Shares under the Share Option in respect of which the Offer is made and the Exercise Price for such Shares;
 - (c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares under the Share Option comprised in the Offer;

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- (d) the last date by which the Offer must be accepted (which must not be later than 30 days from the Offer Date);
 - (e) a minimum period for which a Share Option must be held before it is vested and exercisable, which shall not be less than 12 months;
 - (f) the procedure for acceptance;
 - (g) the performance target(s) (if any) that must be attained by the Eligible Participant before any Share Option can be exercised;
 - (h) the clawback mechanism for the Company to recover or withhold any Share Option granted to any Eligible Participants (if any) in the event of, for example, serious misconduct, a material misstatement in the Company's financial statements or other special circumstances as identified by the Board;
 - (i) such other terms and conditions of the Offer as may be imposed by the Directors which in their opinion are fair and reasonable and not inconsistent with the Share Option Scheme; and
 - (j) a statement requiring the Eligible Participant to undertake to hold the Share Option on the terms on which it is to be granted and to be bound by the provisions of the Share Option Scheme including, without limitation, the conditions specified in, among other things, paragraphs 4.3 and 6.1.
- 4.5. An Offer shall be accepted by an Eligible Participant in respect of all Shares under the Share Option which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.
- 4.6. Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares under the Share Option which are offered provided that it is accepted in respect of a [REDACTED] for [REDACTED] in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which shall not be later than 30 days from the Offer Date). Such remittance shall in no circumstances be refundable.

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4.7. Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraphs 4.5 or 4.6, a Share Option in respect of the number of Shares of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the Offer Date. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraphs 4.5 or 4.6, it will be deemed to have been irrevocably declined.

4.8. The Option Period of a Share Option must not be more than ten (10) years after the Offer Date.

4.9. Share Options will not be listed or dealt in on the Stock Exchange.

4.10. For so long as the Shares are [REDACTED] on the Stock Exchange:

(a) an Offer may not be made after a price-sensitive event or inside information has come to the knowledge of the Company until (and including) the trading day after it has announced the information. In particular, during the period commencing one month immediately preceding the earlier of:

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

(ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, quarterly or any other interim period (whether or not required under the Listing Rules)

and ending on the actual date of publication of the results announcement, and no Option may be granted during any period of delay in publishing a results announcement.

(b) without prejudice to paragraph 4.10(a), an Offer may not be made to an Eligible Participant who is subject to Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules during the periods or times in which such Eligible Participant is prohibited from [REDACTED] the Shares, or any corresponding code or securities [REDACTED] restrictions adopted by the Company.

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5. Exercise Price

The Exercise Price in respect of any Share Option shall, subject to any adjustments made pursuant to paragraph 9, be at the discretion of the Directors, provided that it must be at least the highest of:

- (a) the closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange on the Offer Date;
- (b) the average closing price of the Shares as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) Business Days immediately preceding the Offer Date; and
- (c) the nominal value of the Shares on the Offer Date;

provided that in the event of fractional prices, the Exercise Price per Share shall be rounded upwards to the nearest whole cent.

6. Exercise of Share Options

- 6.1. A Share Option must be personal to the Grantee and must not be transferable or assignable, save where applicable under the Listing Rules, when the Stock Exchange has granted a waiver to the Grantee to transfer his Share Option to a vehicle (such as a trust or a private company) for the benefit of the Grantee and any family members of such Grantee (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the Share Option Scheme and comply with other requirements under the Listing Rules, no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Share Option or enter into any agreement to do so. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Share Option granted to such Grantee to the extent not already exercised.
- 6.2. Subject to, among other things, paragraph 4.3 and the fulfilment of all terms and conditions attached to the Share Options, including the attainment of any performance targets (if any), a Share Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 6.5 and 6.6 by giving notice in writing to the Company stating that the Share Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Share Option remains unexercised is less than one board lot or where the Share Option is exercised in full, must be for a board lot for [REDACTED] in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Exercise Price for Shares in respect of which the notice is given. Within 30 days (seven days in the case of an exercise pursuant to paragraph 6.5(c))

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after receipt of the notice and, where appropriate, receipt of the certificate of the auditors or the independent financial advisers pursuant to paragraph 9, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of Share Option by a personal representative pursuant to paragraph 6.5(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his/her estate in the event of an exercise by his/her personal representative as aforesaid) the relevant share certificate(s) in respect of the Shares so allotted and issued.

- 6.3. A Grantee is required to hold a Share Option for not less than twelve (12) months from the Offer Date before it can be exercised.
- 6.4. Unless otherwise determined by the Board and specified in the Offer, there is generally no performance target that needs to be achieved before the exercise of a Share Option granted to a Grantee nor there is any clawback mechanism for the Company to recover or withhold the Share Options granted to any Eligible Participant.
- 6.5. Subject as hereinafter provided in the Share Option Scheme, a Share Option may only be exercised by the Grantee at any time during the Option Period provided that:
 - (a) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a grantee by reason of his/her death, ill-health or retirement in accordance with his/her contract of employment before exercising the Share Option in full, his/her personal representative(s) or, as appropriate, the Grantee may exercise the Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.2 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6.5(c) or 6.5(d) occur during such period, exercise the Share Option pursuant to paragraph 6.5(c) or 6.5(d) respectively;
 - (b) if the Grantee is an employee of the Group and in the event of his/her ceasing to be a Grantee for any reason other than (1) his/her death, ill-health or retirement in accordance with his/her contract of employment or (2) the termination of his/her employment on one or more of the grounds specified in paragraph 7.1(d) before exercising the Share Option in full, the Share Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Share Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.5 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in

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paragraph 6.5(c) or 6.5(d) occur during such period, exercise the Share Option pursuant to paragraph 6.5(c) or 6.5(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee actually worked for the Company or the relevant subsidiary of the Company whether salary is paid in lieu of notice or not;

- (c) if a general or partial offer, whether by way of takeover offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the 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, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Share Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her Share Options were granted, be entitled to exercise the Share Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6.5 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be;
- (d) in the event of a resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time not less than two (2) Business Days before the date on which such resolution is to be considered and/or passed, exercise his/her Share Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.5 and the Company shall allot and issue to the Grantee the Shares in respect of which such Grantee has exercised his/her Share Option not less than one (1) day before the date on which such resolution is to be considered and/or passed whereupon he/she shall accordingly be entitled, in respect of the Shares allotted and issued to him/her in the aforesaid manner, to participate in the distribution of the assets of the Company available in liquidation pari passu with the holders of the Shares in issue on the day prior to the date of such resolution. Subject thereto, all Share Options then outstanding shall lapse and determine on the commencement of the winding-up; and
- (e) if a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of a scheme for the reconstruction of the Company or its amalgamation with any other companies pursuant to the laws of jurisdictions in which the Company was incorporated, the Company shall give notice to all the Grantees of the Share Options on the same day as it gives

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notice of the meeting to its members or creditors summoning the meeting to consider such a compromise or arrangement and any Grantee may by notice in writing to the 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 (such notice to be received by the Company no later than two (2) Business Days prior to the proposed meeting), exercise the option to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee which falls to be issued on such exercise of the Share Option credited as fully paid and register the Grantee as holder thereof. With effect from the date of such meeting, the rights of all Grantees to exercise their respective options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Share Options shall, to the extent that they have not been exercised, lapse and determine. If for any reason such compromise or arrangement does not become effective and is terminated or lapses, the rights of Grantees to exercise their respective Share Options shall with effect from such termination be restored in full but only upon the extent not already exercised and shall become exercisable.

6.6. Shares to be allotted and issued upon the exercise of a Share Option will be subject to the provisions of the Articles of Association for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date when the name of the Grantee is registered on the register of members of the Company and accordingly will entitle the holders thereof to participate in all dividends or distributions paid or made on or after the name of the Grantee is registered on the register of members of the Company, 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 date when the name of the Grantee is registered on the register of members of the Company. A Share allotted and issued upon the exercise of a Share Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

7. Early Termination of Option Period

- 7.1. The Option Period in respect of any Share Option shall automatically terminate and that Share Option (to the extent not already exercised) shall lapse at the earliest of:
- (a) the expiry of the Option Period as may be determined by the Directors;
 - (b) the expiry of any of the periods referred to in paragraph 6.5;
 - (c) the date of commencement of the winding-up of the Company;

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- (d) in respect of a Grantee who is an employee of the Group when an Offer is made to him/her, the date on which the Grantee ceases to be an employee of the Group by reason of a termination of his/her employment on any one or more of the grounds that he/she has been guilty of persistent or serious misconduct, or has been liable for a material misstatement in the Company's financial statements, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute and does not involve his integrity or honesty) or (if so determined by the Board) on any other grounds on which an employer would be entitled to terminate his employment summarily;
 - (e) in respect of a Grantee other than an employee of the Group, the date on which the Board shall at their absolute discretion determine that: (i) 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 any member of the Group on the other part; or (ii) 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 (iii) the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of the cessation of its relations with the Group or by any other reason whatsoever; and
 - (f) the date on which the Directors shall exercise the Company's right to cancel the Share Option by reason of a breach of paragraph 6.1 by the Grantee in respect of that or any other Share Option.
- 7.2. A resolution of the Directors or written communication on behalf of the Board to the effect that the employment of a Grantee has been terminated on one or more of the grounds specified in paragraphs 7.1(d) and (e) has occurred shall be conclusive and binding on all persons who may be affected thereby.
- 7.3. Transfer of employment of a Grantee who is an employee of the Group from one member of the Group to another member of the Group shall not be considered a cessation of employment. It shall not be considered a cessation of employment if a Grantee who is an employee of the Group is placed on such leave of absence which is considered by the directors of the relevant member of the Group not to be a cessation of employment of the Grantee.

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8. Maximum Number of Shares Available for Subscription

- 8.1. The total number of Shares which may be allotted and issued upon exercise of all Share Options, share options or share awards to be granted under the Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (the "**Scheme Limit**").
- 8.2. Subject to paragraph 8.1, the total number of Shares which may be allotted and issued in respect of all Share Options or share options or share awards to be granted to Service Providers under the Share Option Scheme and any other share option scheme(s) or share award scheme(s) of the Company must not in aggregate exceed 1% of the total number of Shares in issue as at the Adoption Date ("**Service Provider Sublimit**").
- 8.3. For the avoidance of doubt, the Shares underlying any Share Options granted under the Scheme or any other share option schemes of the Company which have been cancelled will be counted for the purpose of calculating the Scheme Limit and Service Provider Sublimit. Where the Company has reissued such cancelled Share Options, the Shares underlying both the cancelled Share Options and the re-issued Share Options will be counted as part of the total number of Shares subject to paragraphs 8.1 and 8.2. The Share Options, share options or share awards lapsed in accordance with the terms of the Scheme or (as the case may be) any other share option scheme(s) or share award scheme(s) of the Company will, however, not be regarded as utilized for the purpose of calculating the Scheme Limit and Service Provider Sublimit.
- 8.4. If the Company conducts a share consolidation or subdivision after the Scheme Limit or the Service Provider Sublimit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all Share Options or share awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit or the Service Provider Sublimit 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, rounded to the nearest whole Share.
- 8.5. The Scheme Limit (and the Service Provider Sublimit) may be refreshed at any time by obtaining approval of the Shareholders in general meeting after three years from Adoption Date or the date of Shareholders' approval for the last refreshment, provided that:
- (a) the total number of Shares which may be issued in respect of all share options and shares awards to be granted under all of the share option scheme(s) or share award scheme(s) of the Company under the Scheme Limit as refreshed (the "**New Scheme Limit**") must not exceed 10% (and the Service Provider

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Sublimit as refreshed (the "New Service Provider Sublimit") must not exceed 1%) of the Shares in issue at the date of the Shareholders' approval of such New Scheme Limit (and New Service Provider Sublimit). Share Options, share options or share awards previously granted under the Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of this Scheme or any other share option scheme(s) or share award scheme(s) of the Company) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Limit (and New Service Provider Sublimit). The Company must send a circular to its Shareholders containing the number of Share Options, share options and share awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit, and the reason for the refreshment.

- (b) any refreshment to the Scheme Limit (and the Service Provider Sublimit) within any three-year period must be approved by the Shareholders, where any controlling shareholders and their associates (or if there is no controlling shareholder, Directors (excluding independent non-executive Directors) and the chief executive of Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting and in accordance with the requirements under the Listing Rules.
- (c) the requirements under paragraph 8.5(b) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2) of the Listing Rules such that the unused part of the Scheme Limit (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Limit immediately before the issue of securities, rounded to the nearest whole Share.

8.6. Without prejudice to paragraph 8.5, the Company may seek separate Shareholders' approval in general meeting to grant Share Options, share options and shares awards under the Share Option Scheme or other share option scheme(s) or share award scheme(s) of the Company beyond the Scheme Limit (or the Service Provider Sublimit) or, if applicable, the extended limits referred to in paragraph 8.5, provided the share options or share awards in excess of the Scheme Limit (or the Service Provider Sublimit) are granted only to Eligible Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted such share options or share awards, the number and terms of the share options or share awards to be granted to each Eligible Participant, and the purpose of granting options or awards to the specified Eligible Participants with an explanation as to how the terms of the share options or share awards serve such purpose. The number and terms of share options or share awards to be granted to such Eligible Participant must be fixed before Shareholders' approval.

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- 8.7. Subject to paragraph 8.8, the total number of Shares issued and which may fall to be issued upon exercise of the Share Options and the share options and share awards granted under the Scheme or any other share option scheme(s) or share award scheme(s) of the Company (including both exercised or outstanding share options and share awards but excluding any share options and share awards lapsed in accordance with the terms of the scheme) to each Eligible Participant in any 12-month period up to and including the date of such grant shall not exceed 1% of the total number of Shares in issue. Where any further grant of Share Options to a Grantee would result in the Shares issued and to be issued upon exercise of all Share Options granted and proposed to be granted to such person (including both exercised or outstanding share options and share awards but excluding any share options and share awards lapsed in accordance with the terms of the scheme) in any 12-month period up to and including the date of such grant exceeding 1% of the total number of Shares in issue, the Company may further grant such Share Options, provided that:
- (a) such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates (or associates if the Eligible Participant is a connected person) abstaining from voting;
 - (b) the Company has first sent a circular to Shareholders disclosing the identity of the Eligible Participant, the number and terms of the Share Options, share options or share awards to be granted (and Share Options, share options or share awards previously granted to such Eligible Participant in the aforesaid 12-month period), the purpose of granting the Share Options, share options or share awards to the Eligible Participant and an explanation as to how the terms of the Share Options, share options or share awards serve such purpose; and
 - (c) the number and terms of Share Options, share options or share awards to be granted to such Eligible Participant must be fixed before the Shareholders' approval.
- 8.8. Without prejudice to paragraphs 4.2 and 4.3, each grant of Share Options to a Director, chief executive of the Company or Substantial Shareholder (or any of their respective associates) must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee of the Share Options).
- 8.9. Where any grant of Share Options to an independent non-executive Director or a Substantial Shareholder (or any of their respective associates) would result in the Shares issued and to be issued in respect of all Share Options, share options or share awards granted (excluding any Share Options, share options or share awards lapsed in accordance with the Scheme or other share option scheme(s) or share award

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scheme(s) of the Company) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such further grant of Share Options shall be subject to:

- (a) the issue of a circular by the Company to the Shareholders; and
- (b) the approval by the Shareholders in general meeting at which the Grantee, his/her associates and all core connected persons (as defined in the Listing Rules) of the Company shall abstain from voting in favour at such general meeting, and in accordance with the Listing Rules.

8.10. The circular to be issued by the Company to the Shareholders pursuant to paragraph 8.9(b) must contain the following information:

- (a) details of the number and terms of the Share Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Share Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (c) other information required under the Listing Rules.

8.11. Any change in the terms of Share Options granted to an Eligible Participant who is a Director, chief executive or Substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, must be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the Share Options requires such approval (except where the changes take effect automatically under the existing terms of the Scheme).

9. Adjustments to the Exercise Price

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

- (a) the number or nominal amount of Shares to which the Share Option Scheme or any Share Option(s) relates (insofar as it is/they are unexercised); and/or

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- (b) Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q0 \times n$$

Where: "Q0" represents the number of Share Options before the adjustment; "n" represents the ratio of consolidation or share subdivision or reduction of share capital; "Q" represents the number of Share Options after the adjustment.

- (c) Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: "Q0" represents the number of Share Options before the adjustment; "P1" represents the closing price as at the record date; "P2" represents the subscription price of the rights issue; "n" represents the ratio of allotment; "Q" represents the number of Share Options after the adjustment.

Subject to compliance with the requirements as provided in this paragraph 9, capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company prior to the exercise of the Share Options, an adjustment to the Exercise Price shall be made in accordance with the FAQ. The method of adjustment is set out below:

- (a) Conversion of capital reserve into new Shares, issue of bonus Shares or share subdivision

$$P = P0 \div (1 + n)$$

Where: "P0" represents the Exercise Price before the adjustment; "n" represents the ratio per Share of the conversion of capital reserves into new Shares, issue of bonus Shares or share subdivision; "P" represents the Exercise Price after the adjustment.

- (b) Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P0 \div n$$

Where: "P0" represents the Exercise Price before the adjustment; "n" represents the ratio of consolidation or share subdivision or reduction of share capital; "P" represents the Exercise Price after the adjustment.

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(c) Rights issue

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents Exercise Price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the Exercise Price of the rights issue; “n” represents the ratio of allotment; “P” represents the Exercise Price after the adjustment. In respect of any adjustment referred to in this paragraph 9.1, other than any adjustment made on a capitalisation issue, the auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments satisfy the requirements of the relevant provisions of the Listing Rules.

- 9.2. If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.
- 9.3. In giving any certificate under this paragraph 9, the auditors or the independent financial adviser appointed under paragraph 9.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby. The costs of the auditors or the independent financial adviser to the Company shall be borne by the Company.

10. Cancellation of Share Options Granted

- 10.1. Subject to paragraph 6.1 and Chapter 17 of the Listing Rules, any Share Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors.
- 10.2. Where the Company cancels any Share Option granted to a Grantee but not exercised and issues new Share Option(s) to the same Grantee, the issue of such new Share Option(s) may only be made with available Scheme Limit, Service Provider Sublimit or the limits approved by the Shareholders pursuant to paragraph 8.5.
- 10.3. The Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit (and the Service Provider Sublimit).

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11. Alteration of the New Share Option Scheme

11.1. Subject to paragraphs 11.2 to 11.4, the Share Option Scheme may be altered in any respect by a resolution of the Directors except that:

- (a) any alteration to the provisions of the Share Option Scheme which are of a material nature; and
- (b) any alteration to the provisions of the Share Option Scheme relating to the matters governed by Rule 17.03 of the Listing Rules to the advantage of Grantees;

must be approved by a resolution of the Shareholders in general meeting.

11.2. Any change to the terms of Share Options granted to an Eligible Participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Share Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), unless the alterations take effect automatically under the existing terms of the Share Option Scheme, including any adjustment to the exercise price in the event of any alteration in the capital structure of the Company upon a capitalisation of profits or reserves, rights issue, consolidation or sub-division of the Shares or reduction of the share capital of the Company as referred in paragraph 9.1.

11.3. Any change to the authority of the Directors or the administrators of the Share Option Scheme to alter the terms of the Share Option Scheme must be approved by the Shareholders in general meeting.

11.4. The amended terms of the Share Option Scheme and/or any Share Options pursuant to this paragraph 11 must still comply with the relevant requirements of Chapter 17 of the Listing Rules.

12. Termination of the New Share Option Scheme

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

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Option Scheme must be disclosed in the circular to Shareholders seeking approval of any subsequent share option scheme to be established or refreshment of scheme mandate limit under any existing scheme after such termination.

Present status of the Share Option Scheme

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

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

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9. OTHER INFORMATION

A. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against our Group, that would have a material adverse effect on its business, financial condition or results of operations.

B. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor’s fees payable by us in respect of the Sole Sponsor’s services as sponsor for the [REDACTED] is HK\$[REDACTED].

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee of the Stock Exchange for the [REDACTED] of, and [REDACTED] in, the Shares in issue and to be issued pursuant to the [REDACTED] (including the additional Shares which may be issued pursuant to the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme). All necessary arrangements have been made to enable such Shares to be admitted into [REDACTED].

C. No Material Adverse Change

Our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 December 2022 (being the date to which the latest audited consolidated financial statements of our Group were prepared).

D. Deed of Indemnity

Pursuant to the Deed of Indemnity given by each of our Controlling Shareholders in favour of our Company (and its subsidiaries) and conditional on the [REDACTED], our Controlling Shareholders have agreed and undertaken to jointly and severally agree, covenant and undertake with each of the member of our Group that he/it will indemnify each of the members of our Group against taxation falling on any member of our Group resulting from or by reference to any income, profits or gains, transactions, events, acts, omissions, matters or things earned, accrued or received, entered into (or deemed to be so earned, accrued, received or entered into) or occurring on or before the date of the [REDACTED].

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However, the indemnities given by our Controlling Shareholders under the Deed of Indemnity do not cover, and our Controlling Shareholders shall be under no liability in respect of, any liability on taxation and taxation claim:

- (a) to the extent that provision has been made in the audited consolidated accounts of our Group or the audited accounts of any of the members of our Group for an accounting period ended on or before 31 December 2022; or
- (b) falling on any members of our Group in respect of any accounting period commencing on or after 31 December 2022 unless such liability would not have arisen but for some act or omission of, or transaction entered into by, our Controlling Shareholders or any members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring), otherwise than in the ordinary course of business, or in the ordinary course of acquiring or disposing of capital assets, on or before the [REDACTED]; or
- (c) to the extent that such liability arises or is incurred as a consequence of any change in the law, rules or regulations, or the interpretation or practise thereof by any statutory or governmental authority (in Hong Kong, the PRC or elsewhere), including without limitation the Inland Revenue Department and the tax bureau of the PRC, having retrospective effect coming into force after the [REDACTED] or to the extent that such liability arises or is increased by an increase in rates of taxation or other penalties after the [REDACTED] with retrospective effect; or
- (d) to the extent that such liability is discharged by another person who is not a member of our Group and that none of the member of our Group is required to reimburse such person in respect of the discharge of such liability; or
- (e) to the extent of any provision or reserve made for such liability in the audited accounts referred to in Clause (a) above which is finally established to be an overprovision or an excessive reserve provided that the amount of any such provision or reserve applied to reduce our Controlling Shareholders' liability in respect of such liability shall not be available in respect of any such liability arising thereafter.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries.

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E. Taxation of Holders of Shares

(a) *Hong Kong*

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

(b) *Cayman Islands*

Under present Cayman Islands law, there is no stamp duty payable in the Cayman Islands on transfers of shares of Cayman Islands companies save for those which hold interests in land in the Cayman Islands.

(c) *Consultation with professional advisers*

Intending holders of 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 Shares or exercising any rights attaching to them. It is emphasised that none of our Company, the Directors or the other parties involved in the [REDACTED] can accept 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 or exercising any rights attaching to them.

F. Miscellaneous

- (a) Save as disclosed in the subsection headed "1. Further Information about our Company" in this section above, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 - (iii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group;

APPENDIX IV STATUTORY AND GENERAL INFORMATION

- (iv) no commission has been paid or payable (except commissions to the [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares of any member of our Group;
- (v) no founders, management or deferred shares of our Company or any of its subsidiaries has been issued or agreed to be issued;
- (b) none of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought;
- (c) our Company has no outstanding convertible debt securities or debentures;
- (d) 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;
- (e) there is no arrangement under which future dividends are waived or agreed to be waived; and
- (f) no company within our Group is presently listed on any stock exchange or traded on any trading system.

F. Qualifications of Experts

The following are the qualifications of experts who have opined or advised on information contained in this document:

Name	Qualification
Rainbow Capital (HK) Limited	Licensed corporation under the SFO permitted to engage in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities
Tian Yuan Law Firm	PRC Legal Advisers
BDO Limited	Certified public accountants
Appleby	Legal adviser as to Cayman Islands laws
Frost & Sullivan	Industry consultant

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G. Consents of Experts

Each of the experts stated in the paragraph headed “9. Other Information – F. Qualifications of Experts” in this appendix has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears. None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

H. Promoter

Our Company has no promoter for purposes of the Listing Rules. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given, nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

I. Preliminary Expenses

The preliminary expenses incurred by our Company in respect of our incorporation were approximately HK\$24,000 and were paid by our Company.

J. Binding Effect

This document shall have the effect, if an application is made in pursuance of this document, of binding all persons concerned by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

K. Bilingual Document

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