

FURTHER INFORMATION ABOUT THE COMPANY AND ITS SUBSIDIARIES

1. Incorporation of the Company

The Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 18 February 2016. The Company has established a place of business in Hong Kong at 57/F, The Center, 99 Queen’s Road Center, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance in [March 2016]. In connection with such registration, Lee Chooi Seng and Chin Seng Leong have been appointed as the authorised representatives of the Company for acceptance of service of process and notices on behalf of the Company in Hong Kong.

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

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

The Company was incorporated in the Cayman Islands on 18 February 2016 by Sharon Pierson and the one subscriber share was transferred to RLDC Investment for HK\$0.01 on the same date. The authorised share capital of the Company as at the date of its incorporation was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each.

On [●], the authorised share capital of the Company was increased from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each by the creation of an additional 962,000,000 Shares of HK\$0.01 each which rank *pari passu* in all respect with the existing Shares.

Save as disclosed in this document, there has been no alteration in the share capital of the Company within two years immediately preceding the date of this document and up to the Latest Practicable Date.

3. Resolutions in writing of all the Shareholders passed on [●]

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

- (a) the Company adopted the new memorandum of association with immediate effect and the new articles of association with effect from [REDACTED];
- (b) the Company increased its authorised share capital from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each;

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- (c) the Company adopted the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” below, and the Directors were authorised to grant options to subscribe for the Share thereunder and, conditional on the [REDACTED] of the Stock Exchange granting of the [REDACTED] of, and permission to deal in, the Shares to be issued pursuant to the exercise of the options granted under the Share Option Scheme on or before the date falling 30 days after the date of this document, to allot, issue and deal with the Shares pursuant to the exercise of options granted under the Share Option Scheme;
- (d) conditional on the [REDACTED] of the Stock Exchange granting the [REDACTED] of, and permission to deal in the Shares in issue and to be issued as mentioned in this document and on the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before the day falling 30 days after the date of this document:
 - (i) the [REDACTED] was approved and the Directors were authorised to allot and issue the [REDACTED] under the [REDACTED];
 - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “Share Option Scheme” below, were approved and adopted and the Directors were authorised to grant options to subscribe for the Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of options which may be granted under the Share Option Scheme and to take all such steps as may be necessary, desirable or expedient to carry into effect the Share Option Scheme;
 - (iii) conditional on the share premium account of the Company being credited as a result of the [REDACTED], the Directors were authorised to capitalise approximately HK\$[REDACTED] standing to the credit of the share premium account of the Company by applying such sum in paying up in full at par [REDACTED] Shares for allotment and issue to the Shareholders whose names appear on the register of members of the Company at the close of business on [●] (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) to their then existing shareholdings in the Company so that the Shares allotted and issued shall rank *pari passu* in all respects with the then existing issued Shares;
 - (iv) a general unconditional mandate was given to the Directors to exercise all powers of the Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements in accordance with the articles of association of the Company, or pursuant to the exercise of any options which have been or may be granted under the Share Option Scheme, or under the [REDACTED] or the [REDACTED], Shares with an aggregate nominal amount of not exceeding the sum of (aa) 20% of the aggregate nominal amount of the share

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capital of the Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding the exercise of [REDACTED] and Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme); and (bb) the aggregate nominal amount of the share capital of the Company which may be purchased by the Company pursuant to the authority granted to the Directors as referred to in paragraph (vi) below, until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders revoking or varying the authority given to the Directors as set out in this paragraph (v), whichever occurs first; and

- (v) a general unconditional mandate (the “Repurchase Mandate”) was given to the Directors to exercise all powers of the Company to purchase the Shares with an aggregate nominal amount of not exceeding [REDACTED] of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding the exercise of [REDACTED] and Shares which may be allotted and issued pursuant to the exercise of the options which may be granted under the Share Option Scheme) until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors as set out in this paragraph (vi), whichever occurs first.

4. Group reorganisation

The companies comprising the Group underwent a reorganisation to rationalise the Group’s structure in preparation for the [REDACTED]. For information relating to the Reorganisation, please refer to the section headed “History, Reorganisation and Corporate Structure” in this document.

5. Changes in share capital of subsidiaries

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

Save as disclosed in section headed “History, Reorganisation and Corporate Structure” in this document, there are no changes in the registered capital of the subsidiaries during the two years preceding the date of this document.

6. Repurchase by the Company of its own securities

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

(a) *Provisions of the GEM Listing Rules*

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

(i) *Shareholders’ approval*

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

Note: Pursuant to a resolution in writing passed by all Shareholders on [●], the Repurchase Mandate was given to the Directors to exercise all powers of the Company to purchase Shares on the Stock Exchange or any other stock exchange on which the securities of the Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to [REDACTED] of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding Shares which may be allotted and issued pursuant to the exercise of options which may be granted under the Share Option Scheme). The Repurchase Mandate will expire at the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors, whichever occurs first.

(ii) *Source of funds*

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

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(iii) *Connected parties*

A company is prohibited from knowingly repurchasing securities from a “core connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of their respective close associates and a core connected person shall not knowingly sell his securities to the Company, on the Stock Exchange.

(b) *Reasons for Repurchase*

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

(c) *Funding of repurchase*

In repurchasing securities, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

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

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after the [REDACTED] of the Shares on the Stock Exchange, would result in up to [REDACTED] Shares being repurchased by the Company during the period in which the Repurchase Mandate remains in force.

(d) *General*

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to the Company or its subsidiaries if the Repurchase Mandate is exercised.

The 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 GEM Listing Rules and the applicable laws of the Cayman Islands.

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

If, as a result of a securities repurchase, a Shareholder’s proportionate interest in the voting rights of the Company is increased, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, the 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.

FURTHER INFORMATION ABOUT THE BUSINESS OF THE GROUP**7. Summary of material contracts**

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

- (a) the sale and purchase agreement dated [●] entered into between the Company, Mr. Lee, Mr. Chin, RLDC Investment, Upright Plan and Champion Ascent relating to the transfer of the entire issued share capital of Worldgate International to the Company in consideration of (i) the Initial Share held by RLDC Investment be credited as fully paid; (ii) the Company to allot and issue [REDACTED] Shares to RLDC Investment credited as fully paid; (iii) the Company to allot and issue [REDACTED] Shares to Upright Plan credited as fully paid; and (iv) the Company to allot and issue [REDACTED] Shares to Champion Ascent credited as fully paid.
- (b) the Deed of Indemnity entered into by the Controlling Shareholders and the Company dated [●], details of which are set out in paragraph headed “Other information — 14. Tax indemnity” of this Appendix;
- (c) the Deed of Non-Competition entered into by the Controlling Shareholders in favour of the Company dated [●], details of which are set out in paragraph 3 of the section headed “Relationship with Controlling Shareholders” in this document; and
- (d) the [REDACTED] entered into between the Company, the executive Directors, the Controlling Shareholders, the Sponsor and the [REDACTED] dated [●], details of which are set out in this section headed “[REDACTED]” in this document.

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8. Intellectual Property Rights of the Group

(a) Trademarks

As at the Latest Practicable Date, the Group had applied for registration of the following trademark:

<u>Trademark application number</u>	<u>Trademark</u>	<u>Applicant</u>	<u>Place of application</u>	<u>Class</u>	<u>Application Date</u>
303694401		Worldgate Express	Hong Kong	39	24 February 2016

As at the Latest Practicable Date, the Group has registered the following trademarks:

<u>Trademark</u>	<u>Registered Owner</u>	<u>Class</u>	<u>Place of registration</u>	<u>Trade Mark No.</u>	<u>Effective Period</u>
	Worldgate Express	35	Malaysia	2011014093	4 August 2011 to 4 August 2021
	Worldgate Express	37	Malaysia	2011014092	4 August 2011 to 4 August 2021
	Worldgate Express	39	Malaysia	09021290	3 December 2009 to 3 December 2019
	Freight Transport	39	Malaysia	2010003539	2 March 2010 to 2 March 2020

(b) Domain name

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

<u>Domain name</u>	<u>Date of registration</u>	<u>Expiry date</u>
worldgate.com.my	2 August 2001	1 August 2016

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

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

FURTHER INFORMATION ABOUT DIRECTORS, MANAGEMENT AND STAFF**9. Directors****(a) Particulars of service contracts and letters of appointment**

Each of Mr. Lee and Mr. Chin, being all the executive Directors, and Mr. Tan Yee Boon, being the non-executive Director has entered into a service contract with the Company. Particulars of these contracts, except as indicated, are in all material respects identical and are set out below:

- (i) each service contract is of three years commencing from the [REDACTED] and will continue thereafter until terminated in accordance with the terms of the service agreement;
- (ii) the initial annual salary for each of Mr. Lee, Mr. Chin and Mr. Tan Yee Boon is set out below, such salary to be reviewed annually by the Board and the remuneration committee of the Company; and
- (iii) each of these executive and non-executive Directors is entitled to such management bonus by reference to the consolidated net profits of the Group after taxation and minority interests but before extraordinary items as the Board and the remuneration committee of the Company may approve, provided that the relevant executive and non-executive Director shall abstain from voting and not be counted in the quorum in respect of any resolution of the Board approving the amount of annual salary, management bonus and other benefits payable to him.

The current basic annual salaries of the executive and non-executive Directors are as follows:

<u>Name</u>	<u>Amount</u>
Mr. Lee	HK\$1,200,000
Mr. Chin	HK\$1,200,000
Mr. Tan Yee Boon	HK\$240,000

Each of Mr. Wong Siu Keung Joe, Mr. Liew Weng Keat and Mr. Lee Kwok Tung Louis, being all the independent non-executive Directors, has entered into a letter of appointment with the Company. Each letter of appointment is for an initial term commencing on the date of the [REDACTED] and shall continue thereafter subject to a maximum of one year and may be terminated by either party by giving at least three months' notice. Each independent non-executive Director is entitled to an annual director's fee of HK\$240,000.

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

(b) *Directors’ remuneration*

During the Track Record Period, the aggregate of the remuneration (including salaries and allowance, if any) paid and benefits in kind granted by the Group to the Directors was approximately HK\$0.9 million and HK\$1.0 million, respectively.

Under the arrangements currently in force, the aggregate emoluments (excluding any discretionary bonus, if any, payable to the Director) payable by the Group to and benefits in kind receivable by the Directors for the year ended 31 December 2016 is estimated to be approximately HK\$3.36 million.

None of the Directors or any past directors of any member of the Group has been paid any sum of money for each of the two years ended 31 December 2015 (i) as an inducement to join or upon joining the Company or (ii) for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group.

There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of the two years ended 31 December 2015.

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

Immediately following completion of the [REDACTED] and the [REDACTED] (but not taking into account any Shares that may be allotted and issued pursuant to the exercise of the [REDACTED] and/or any option(s) which may be granted under the Share Option Scheme), the interests or short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the

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SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the [REDACTED] Rules, will be as follows:

<u>Name</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares held after the [REDACTED] and the [REDACTED]⁽¹⁾</u>	<u>Percentage of shareholding after the [REDACTED] and the [REDACTED]</u>
Mr. Lee	Interest in controlled corporation ⁽²⁾	[REDACTED] Shares (L)	[REDACTED]
Mr. Chin	Interest in controlled corporation ⁽²⁾	[REDACTED] Shares (L)	[REDACTED]

Notes:

- (1) The letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued share capital of RLDC Investment is legally and beneficially owned by Mr. Lee as to 50% and Mr. Chin as to 50%. Accordingly, Mr. Lee and Mr. Chin are deemed to be interested in all Shares held by RLDC Investment by virtue of the SFO.

10. Interest discloseable under the SFO and substantial shareholders

So far as is known to any the Director or chief executive of the Company, immediately following the completion of the [REDACTED] and the [REDACTED] and taking no account any Shares which may be taken up under the [REDACTED] or any Shares which may be allotted and issued upon the exercise of the [REDACTED] and/or any options which may be granted under the Share Option Scheme, based on the information available on the Latest Practicable Date, the following persons/entities (other the Directors and chief executive of the Company) will have an interest or a short position in the Shares or the underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under

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section 336 of the SFO, or who will be, directly or indirectly, to be interested in [REDACTED] or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

<u>Name</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares held after the [REDACTED] and the [REDACTED]⁽¹⁾</u>	<u>Percentage of shareholding after the [REDACTED] and the [REDACTED]</u>
RLDC Investment	Beneficial owner	[REDACTED] (L)	[REDACTED]
Mrs. Ng Yee Hoong	Family interest ⁽⁴⁾	[REDACTED] (L)	[REDACTED]
Mrs. Dorothy Yeo Mong Yee	Family interest ⁽⁵⁾	[REDACTED] (L)	[REDACTED]
Mr. Gan	Interest in controlled corporation ⁽²⁾⁽³⁾	[REDACTED] (L)	[REDACTED]
Walgan Investment	Interest in controlled corporation ⁽²⁾⁽³⁾	[REDACTED] (L)	[REDACTED]
Mrs. Amy Ong Lai Fong	Family interest ⁽⁶⁾	[REDACTED] (L)	[REDACTED]
Upright Plan	Beneficial owner	[REDACTED] (L)	[REDACTED]
Mr. Chang	Interest in controlled corporation ⁽³⁾	[REDACTED] (L)	[REDACTED]
Mrs. Wong Ping Yuk	Family interest ⁽⁷⁾	[REDACTED] (L)	[REDACTED]
Champion Ascent	Beneficial owner	[REDACTED] (L)	[REDACTED]

Notes:

- (1) The letter “L” denotes the person’s long position in the relevant Shares.
- (2) The entire issued share capital of Upright Plan is legally and beneficially owned by Walgan Investment which in turn is held by Mr. Gan.
- (3) The entire issued share capital of Champion Ascent is legally and beneficially owned by Mr. Chang as to 60% and Walgan Investment as to 40%; and Walgan Investment is wholly-owned by Mr. Gan.
- (4) Mrs. Ng Yee Hoong is the spouse of Mr. Lee and is therefore deemed to be interested in all of the Shares held/owned by Mr. Lee (through RLDC Investment) by virtue of the SFO.
- (5) Mrs. Dorothy Yeo Mong Yee is the spouse of Mr. Chin and is therefore deemed to be interested in all of the Shares held/owned by Mr. Chin (through RLDC Investment) by virtue of the SFO.

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- (6) Mrs. Amy Ong Lai Fong is the spouse of Mr. Gan and is therefore deemed to be interested in all of the Shares held/owned by Mr. Gan (through Upright Plan and Champion Ascent) by virtue of the SFO.
- (7) Mrs. Wong Ping Yuk is the spouse of Mr. Chang and is therefore deemed to be interested in all of the Shares held/owned by Mr. Chang (through Champion Ascent) by virtue of the SFO.

11. Related party transactions

During the two years immediately preceding the date of this document, the Group engaged in the related party transactions as mentioned in 28 of the accountant’s report set out in Appendix I to this document.

12. Disclaimers

Save as disclosed in this document:

- (a) and taking no account of any Shares which may be taken up or acquired under the [REDACTED] or any Shares which may be allotted and issued upon the exercise of [REDACTED] and the exercise of any options which may be granted under the Share Option Scheme, the Directors are not aware of any person who immediately following completion of the [REDACTED] and the [REDACTED] will have an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at the general meetings of the Company or any other members of the Group;
- (b) none of the Directors or chief executive of the Company has any interests and short positions in the Shares, underlying Shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or will be required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, in each case once the Shares are listed on the Stock Exchange;
- (c) none of the Directors nor the experts named in the paragraph headed “Qualifications and consents of experts” below has been interested in the promotion of, or has any direct or indirect interest in any assets acquired or disposed of by or leased to, any member of the Group within the two years immediately preceding the date of this document, or which are proposed to be acquired or disposed of by or leased to any member of the Group nor will any Director apply for [REDACTED] either in his/her own name or in the name of a nominee;

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- (d) none of the Directors nor the experts named in the paragraph headed “Qualification and consents of the 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 the Group taken as a whole;
- (e) none of the experts named in the paragraph headed “Qualifications and consents of experts” below has any shareholding in any member in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member in the Group; and
- (f) none of the Directors has entered or has proposed to enter into any service agreements with the Company or any member of the Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation).

SHARE OPTION SCHEME**13. Share Option Scheme**

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

The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

(a) *Purpose of the Share Option Scheme*

The purpose of the Share Option Scheme is to advance the interests of the Company and the Shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons’ contribution to further advance the interests of the Group.

(b) *Participants of the Share Option Scheme and Eligibility Criteria*

The eligible persons of the Share Option Scheme to whom options may be granted by the Board shall include (collectively “Eligible Persons”):

- (i) any directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group (collectively “Employee”);

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- (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group (collectively “Business Associate”); and
- (iii) any other person, who at the sole discretion of the Board, has contributed to the Group (the assessment criteria of which are (1) such person’s contribution to the development and performance of the Group; (2) the quality of work performed by such person for the Group; (3) the initiative and commitment of such person in performing his duties; (4) the length of service or contribution of such person to the Group; and (5) such other factors as considered to be applicable by the Board).

The Board may in its absolute discretion specify such conditions as it thinks fit when granting an option to an Eligible Person (including, without limitation, as to any minimum period an option must have been held or the minimum period of service or relationship with any member of the Group to be achieved before an option can be exercised (or any part thereof), to the extent of the option which can be exercised at any material time, or any performance criteria which must be satisfied by the Eligible Person, the Company, and its subsidiaries, before an option may be exercised), provided that such conditions shall not be inconsistent with any other terms and conditions of the Share Option Scheme and the GEM Listing Rules.

(c) *Life of the Share Option Scheme*

The Company may, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option shall be offered or granted but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

Subject to the aforesaid, the Share Option Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which period no further options will be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other respects with respect to options granted during the life of the Share Option Scheme.

(d) *Subscription Price*

The subscription price in respect of any option shall, subject to any adjustments made pursuant to the terms of the Share Option Scheme, be a price determined by the Board and notified to each grantee and shall be at least the highest of:

- (i) the closing price per Share as stated in the Stock Exchange’s daily quotation sheet on the offer date;

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- (ii) the average of the closing prices per Share as stated in the Stock Exchange’s daily quotation sheets for the five Business Days immediately preceding the offer date; or
- (iii) the nominal value of the Share.

(e) *Acceptance of Offers*

An offer shall remain open for acceptance by the Eligible Person concerned for such period as determined by the Board, being a date not later than ten Business Days after the offer date by which the Eligible Person must accept the offer or be deemed to have declined it, provided that no such offer shall be open for acceptance after the tenth anniversary of the date of adoption of the Share Option Scheme or after the Share Option Scheme has been terminated in accordance with the provisions of the Share Option Scheme.

The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board.

(f) *Maximum number of Shares available for Subscription*

- (i) The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other Share Option Schemes shall not in aggregate exceed 10% of the total number of Shares in issue as at the date of approval of the Share Option Scheme unless the Company obtains a fresh approval from the Shareholders pursuant to paragraph (f)(ii) below.
- (ii) the Company may seek approval of Shareholders in general meeting to renew the 10% limit set out in paragraph (f)(i) above such that the total number of Shares in respect of which options may be granted by the Board under the Share Option Scheme and any other share option schemes of the Company in issue shall not exceed 10% of the total number of Shares in issue as at the date of approval of the renewed limit.
- (iii) the Company may grant options to specified participant(s) beyond the 10% limit set out in paragraph (f)(i) above provided that the options granted in excess of such limit are specifically approved by the Shareholders in general meeting and the participants are specifically identified by the Company before such approval is sought. In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.
- (iv) Notwithstanding the foregoing and subject to the paragraph (g) below, the maximum number of Shares in respect of which options may be granted under the Share Option Scheme together with any options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes of the

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Company in issue shall not exceed 30% (or such higher percentage as may be allowed under the GEM Listing Rules) of the total number of Shares in issue from time to time.

(g) *Maximum entitlement of each Eligible Person*

The total number of Shares issued and to be issued upon exercise of the options granted to each Eligible Person (including both exercised and outstanding options under the Share Option Scheme) in any twelve-month period must not exceed 1% of the issued share capital of the Company.

Where any further grant of options to an Eligible Person would result in excess of such limit shall be subject to the approval of the Shareholders at general meeting with such Eligible Person and his associates abstaining from voting.

In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

(h) *Grants of Options to certain connected persons*

- (i) Any grant of options to a connected person (as defined under the GEM Listing Rules) or any of its associates must be approved by all of the independent non-executive Directors (excluding any independent non-executive Director who is also the grantee).
- (ii) Where options are proposed to be granted to a Substantial Shareholder or an independent non-executive Director or any of their respective associates, and the proposed grant of options will result in the total number of Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the twelve-month period up to and including the date of such grant representing in aggregate over 0.1 per cent of the issued share capital of the Company and having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such grant of options must be subject to the approval of the Shareholders at general meeting. The connected person involved in such proposed grant of options and all other connected persons must abstain from voting in such general meeting (except that any connected person may vote against the proposed grant provided that his intention to do so has been stated in the relevant circular to the Shareholders).

In seeking such approval, a circular must be sent to the Shareholders containing the required details in accordance with Chapter 23 of the GEM Listing Rules.

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Any change in the terms of the options granted to a Substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates must also be approved by the Shareholders in general meeting.

(i) *Time of exercise of Option*

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to the grantee which the Board may in its absolute discretion determine, save that such period shall not be more than ten years from the date of acceptance of the offer (subject to the provisions for early termination in accordance with the Share Option Scheme) (the “Option Period”).

(j) *Rights are personal to Grantee*

An option shall be personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any option or attempt to do so. Any breach of the foregoing shall entitle the Company to cancel any outstanding option or part thereof granted to such grantee.

(k) *Rights on ceasing employment*

In the case of the grantee being an employee or a director of the Group leaves the services of the Group by reason other than death or on one or more of the grounds specified in paragraph (p)(v), or because his employing company ceases to be a member of the Group, the grantee may exercise the option up to his entitlement at the date of cessation (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) three months (or such other period as the Board may determine) following the date of such cessation, which date shall be the last actual working day with the Group whether salary is paid in lieu of notice or not or the last date of appointment as director of the Group, as the case may be, or (ii) the expiration of the relevant Option Period. Any options not so exercised shall lapse and terminate at the end of the said period provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

(l) *Rights on Death*

In the case of the grantee ceases to be an Eligible Person by reason of death, he or (as the case may be) his personal representatives may exercise all or part of his options (to the extent he is entitled to exercise at the date of cessation but not already exercised) within a period being the earlier of (i) six months after he so ceases to be an Eligible Person or (ii) the expiration of the relevant Option Period. Any options not so exercised shall lapse and terminate at the end of the said period provided that in any such case, the Directors in their absolute discretion may otherwise determine subject to such conditions or limitations as the Directors may decide.

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(m) *Rights on a General Offer*

- (i) If, in consequences of any general offer made to the holders of Shares (being an offer made in the first instance on a condition such that, if it is satisfied, the offeror will have control of the Company) or otherwise, any person shall have obtained control (as defined in the Takeovers Code) of the Company, then the Directors shall as soon as practicable thereafter notify every grantee accordingly and each grantee shall be entitled to exercise all or any of his options (to the extent he is entitled but not exercised) at any time before the earlier of (1) the expiry of the Option Period, or (2) the fourteenth day following the date on which the general offer becomes or is declared unconditional to exercise any option in whole or in part, and to the extent that it has not been so exercised, any options shall upon the expiry of such period cease and terminate provided that if, during such period, such person becomes entitled to exercise rights of compulsory acquisition of Shares and gives notice in writing to any holders of Shares that he intends to exercise such rights, options shall be and remain exercisable until the earlier of (1) the expiry of the Option Period or (2) the fourteenth day from the date of such notice and, to the extent that any options which have not been exercised upon the expiry of such period, shall thereupon cease and terminate.
- (ii) If a general offer by way of a scheme of arrangement is made to all the Shareholders and the Share Option Scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all the grantees and any grantee (or his personal representatives) may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the option (to the extent he is entitled but not exercised) to its full extent or to the extent specified in such notice. Any options which have not been exercised upon the expiry of such period as specified in the notice shall thereupon cease and terminate.

(n) *Rights on Winding-up*

In the event that a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it dispatches such notice to each member of the Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options at any time not later than two Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon 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 general meeting referred

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to above, allot and issue such number of Shares to the grantee credited as fully paid which falls to be issued on such exercise and register the grantee as holder thereof in the branch register of members of the Company maintained in Hong Kong.

(o) *Right on a compromise or scheme of arrangement*

If a compromise or arrangement between the Company and the Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it dispatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may by notice in writing to the Company accompanied by the remittance for the aggregate subscription price in respect of the number of option exercised under such notice (such notice to be received by the Company not later than two Business Days prior to the proposed meeting) either to its full extent or to the extent specified in such 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 referred to above, allot and issue such number of Shares credited as fully paid, to the grantee which falls to be issued on such exercise and register the grantee as holder thereof in the branch register of members of the Company maintained in Hong Kong.

(p) *Lapse of Option*

The right to exercise an option shall lapse automatically (to the extent not already exercised) immediately upon the earliest of:

- (i) subject to paragraphs (k)–(o), the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs (k)–(m);
- (iii) subject to paragraph (n), the date of the commencement of the winding up of the Company;
- (iv) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (o);
- (v) in the event that the grantee is an employee or a director of the Group, the date on which the grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or directorship or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an

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employer or a company would be entitled to terminate his employment or directorship at common law or pursuant to any applicable laws or under the grantee's service contract with the Company or the relevant subsidiary of the Company. A resolution of the Board or the board of directors of the relevant subsidiary of the Company to the effect that the employment or other relevant contract of a grantee has or has not been terminated on one or more of the grounds specified in this paragraph (p)(v) shall be conclusive and binding on the grantee;

(vi) the date on which the grantee ceases to be an Eligible Person by reason of termination of his relationship (whether by appointment or otherwise) with the Group or on any one or more of the following grounds (other than by reason of death or on one or more of the grounds specified in sub-paragraph (p)(v)) that he has become unable to pay his debts (within the meaning of the Bankruptcy Ordinance) or has become otherwise insolvent or has made any arrangement or composition with his creditors generally, or arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) has committed any act which is prejudicial to or not in the interests of the Company or any company in the Group. A resolution of the Board or the board of directors of the relevant subsidiary of the Company to the effect that the relationship with a grantee (other than an employee or a director of the Group) has or has not been terminated and as to the date of such termination shall be conclusive and binding on the grantee;

(vii) the date on which the grantee commits a breach of paragraph (j); or

(viii) the date on which the option is cancelled by the Board as provided in paragraph (t).

The Company shall owe no liability to any grantee for the lapse of any option under this paragraph (p).

(q) *Ranking of Shares*

The Shares to be allotted and issued upon the exercise of an option shall be subject to the Memorandum and Articles and the laws of the Cayman Islands for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment 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 on or before the date of allotment, provided always that when the date of exercise of the option falls on a date upon which the register of members of the Company is closed then the exercise of the options shall become effective on the first Business Day on which the register of members of the Company is re-opened.

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(r) *Reorganisation of Capital Structure*

In the event of any alteration to the capital structure of the Company whilst any option remains exercisable, arising from capitalisation of profits or reserves, rights issue, consolidation, re-classification or subdivision of Share or reduction of the share capital of the Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, adjustment (if any) shall be made to:

- (i) the number or nominal amount of Shares subject to the option so far as unexercised; and/or
- (ii) the subscription price for the Shares subject to the option so far as unexercised; and/or
- (iii) the Shares to which the option relates; and/or
- (iv) any combination thereof as the auditors or the independent financial adviser to the Company (acting as expert not arbitrator) shall at the request of the Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in compliance with Rule 23.03(13) of the GEM Listing Rules and the notes thereto.

Any such adjustments must give a grantee the same proportion of the equity capital of the Company as to which that grantee was previously entitled, and any adjustments so made shall be in compliance with the GEM Listing Rules and such applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on GEM Listing Rule 23.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to the Share Option Scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the auditors or the independent financial adviser to the Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the grantees. The costs of the auditors or the independent financial adviser to the Company shall be paid by the Company. Notice of such adjustment shall be given to the grantees by the Company.

(s) *Alteration to the Share Option Scheme and the terms of Options granted under the Share Option Scheme*

The Board may from time to time in its absolute discretion waive or amend any terms of the Share Option Scheme at such time and in such manner as it deems desirable to the extent permissible under the provisions of the GEM Listing Rules in relation to the Share Option Scheme and all applicable laws in respect thereof.

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For the avoidance of doubt, except with the prior approval of the Shareholders in general meeting (with the Eligible Persons and their associates abstaining from voting), the Board may not amend:

- (i) any of the provisions of the Share Option Scheme relating to matters contained in Rule 23.03 of the GEM Listing Rules to the advantage of the Eligible Persons or grantees;
- (ii) any terms and conditions of the Share Option Scheme which are of a material nature or any terms of options granted except where such alteration take effect automatically under the existing terms of the Share Option Scheme; and
- (iii) any provisions on the authority of the Board in relation to any alteration to the terms of the Share Option Scheme.

No such amendments shall be altered to the advantage of grantees except with the prior approval of the Shareholders in general meeting (with Eligible Persons and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares, provided that this restriction should not apply to any amendment made by the Board at the request of the Stock Exchange or other regulatory body for the purpose of ensuring that the Share Option Scheme complies with, among other applicable laws, the requirements of such exchange or other regulatory body on which the Shares are in the course of being listed or from time to time listed or which may have or exercise regulatory powers or jurisdiction in relation to the Company. Any amended terms of the Share Option Scheme or options shall still comply with the relevant requirements of Chapter 23 of the GEM Listing Rules (subject to such waiver as may be granted by the Stock Exchange from time to time) and shall automatically take effect on all outstanding options.

(t) *Cancellation of Options granted*

The Board may cancel an option granted but not exercised with the approval of the grantee of such option. No compensation shall be payable to the grantee for cancellation of the options granted but not exercised.

(u) *Termination*

The Company, by ordinary resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

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

OTHER INFORMATION

14. Estate duty, tax and other indemnity

The Directors have been advised that no material liability for estate duty in Hong Kong is likely to fall on the Company or any of its subsidiaries.

RLDC Investment, Mr. Lee and Mr. Chin (collectively the “Indemnifiers”) have pursuant to a deed of indemnity referred to in the section headed “Further information about the business of the Group — Summary of material contracts” in this appendix (the “Deed of Indemnity”), on a joint and several basis, given indemnities in favour of the Group in respect of any amount which any member of the Group becomes liable to pay after the date of the Deed of Indemnity being:

- (a) to the extent of which is applicable, any duty which is or hereafter becomes payable by the relevant member of the Group by virtue of section 35 of the Estate Duty Ordinance or any law equivalent or similar thereto under the laws of any jurisdiction outside Hong Kong, or under the provision of section 43 of the Estate Duty Ordinance or any law equivalent or similar thereto under the laws of any jurisdiction outside Hong Kong, by reason of the death of any person and by reason of the assets of any members of the Group or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death, as a result of that person making or having made a relevant transfer to any members of the Group at any time on or before the [REDACTED];
- (b) to the extent of which is applicable, any amount recovered against any members of the Group under the provision of section 43(7) of the Estate Duty Ordinance in respect of any duty payable under section 43(1)(c) or section 43(6) of the Estate Duty Ordinance, by reason of the death of any person and by reason of the assets of any members of the Group or any of such assets being deemed for the purpose of estate duty to be included in the property passing on his death, as a result of that person making or having made a relevant transfer to any members of the Group any time on or before the [REDACTED];
- (c) to the extent of which is applicable, any amount of duty which any members of the Group is obliged to pay by virtue of section 43(1)(c) of the Estate Duty Ordinance in respect of the death of any person in any case where the assets of another company are deemed for the purpose of estate duty to be included in the property passing on that person’s death by reason of that person making or having made a relevant transfer to that other company and by reason of any members of the Group having received any distributed assets of that other company on their distribution within the meaning of the Estate Duty Ordinance, in each case at any time on or before the [REDACTED], but only to the extent to which any members of the Group is unable to recover an amount or amounts in respect of that duty from any other person under the provision of section 43(7)(a) of the Estate Duty Ordinance;

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- (d) the amount of any and all taxation paid by or falling on any members of the Group, resulting from or by reference to any income, profits or gains earned, accrued or received (or which should have been or deemed to be so earned, accrued or received), or any transactions, events, matters, things or any business carried on or occurring or deemed to occur on or before the [REDACTED], whether alone or conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company, including any and all taxation resulting from the receipt by any members of the Group of any amounts paid by the Indemnifiers under the Deed of Indemnity, unless such liability to taxation is also discharged by such other person, firm or company;
- (e) any claim, fine or other form of liability that may arise from breach of any law, regulation and rule by any members of the Group before the [REDACTED];
- (f) all reasonable costs (including all legal costs), expenses or other liabilities which any members of the Group may properly incur in connection with:
 - (i) the investigation, assessment or the contesting of any claim or other claim pursuant to the Deed of Indemnity;
 - (ii) the settlement of any claim under the Deed of Indemnity;
 - (iii) any legal proceedings in which any members of the Group claims under or in respect of the Deed of Indemnity; or
 - (iv) the enforcement of any settlement or judgment in respect of any legal proceedings referred to in paragraph (iii) above.

The Deed of Indemnity does not however cover any claim and the Indemnifiers shall be under no liability in respect of any taxation or liability:

- (i) to the extent that provision has been made for such taxation in the audited combined accounts of the Group as set out in the Accountant’s Report contained in Appendix I in this Document (the “Accounts”);
- (ii) for which any members of the Group are liable as a result of any event occurring or income, profits earned, accrued or received or alleged to have been earned, accrued or received or transactions entered into in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after the [REDACTED];
- (iii) to the extent that such taxation or liability would not have arisen but for any act or omission by any of members of the Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) voluntarily effected after the [REDACTED] without the prior written consent or agreement of the Indemnifiers,

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otherwise than in the ordinary course of business after the [REDACTED] or carried out, made or entered into pursuant to a legally binding commitment created on or before the [REDACTED];

- (iv) to the extent that such taxation or liability is/are discharged by another person who is not a Group Member and that none of the members of the Group is required to reimburse such person in respect of the discharge of such taxation or liability;
- (v) to the extent that such claim arise(s) or is/are incurred as a consequence of any retrospective change in the law or regulations or the interpretation or practice by the Hong Kong Inland Revenue Department or any other authority in any part of the world coming into force after the [REDACTED] or to the extent such claim arise(s) or is/are increased by an increase in rates of Taxation after the [REDACTED] with retrospective effect; and
- (vi) to the extent of any provision or reserve made for taxation in the Accounts which is finally established to be an over-provision or an excessive reserve provided that the amount of any such provision to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Save for any claim relating to a claim under section 35 of the Estate Duty Ordinance, for which the Indemnifiers shall be liable in perpetuity, the Indemnifiers shall not be liable in respect of any claim unless the same shall have been made on or prior to the expiry of six years from the [REDACTED] by notice in writing to the Indemnifiers.

In addition, pursuant to the Deed of Indemnity, the Indemnifiers have agreed and undertaken to jointly and severally indemnify the members of our Group and each of them and at all times keep the same indemnified on demand from and against, save to the extent that full provision has been made as set out in Appendix I in this document, all claims, damages, losses, costs, expenses, fines, actions and proceedings whatsoever and howsoever arising at any time whether present or in the future as a result of or in connection with:

- (a) the restructuring and reorganisation undergone by the Group;
- (b) any actual violation or non-compliance by any members of the Group with any laws, regulations or administrative orders or measures in Macau, Singapore, Hong Kong, the PRC and in any other jurisdiction on or before the [REDACTED];
- (c) any and all expenses, payments, sums, outgoing fees, demands, claims, actions, proceedings, judgments, damages, losses, costs (including but not limited to, legal and other professional costs), charges, contributions, liabilities, fines, penalties which any members of the Group may incur, suffer or accrue, directly or indirectly from or on the basis of or in connection with any failure, delay or defects of corporate or regulatory

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compliance under, or any breach of any provision of the Inland Revenue Ordinance or any other applicable laws, rules and regulations by any members of the Group on or before the [REDACTED];

- (d) any irregularities in relation to any corporate documents of any members of the Group; and
- (e) any actual litigation, arbitrations, claims (including counter-claims), complaints, demands and/or legal proceedings whether of criminal, administrative, contractual, tortious nature or otherwise instituted by or against the Company and/or any members of the Group arising from any act, non-performance, omission or otherwise of the Company or any members of the Group on or before the [REDACTED].

15. Litigation

Save as disclosed herein, neither the Company nor any of its subsidiaries is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

16. Sponsor

The Sponsor has made an application for and on behalf of the Company to the Stock Exchange for the [REDACTED] of, and permission to deal in, the Shares in issue and to be issued as mentioned in this document, including the [REDACTED] and any Shares which may fall to be allotted and issued pursuant to (a) the [REDACTED]; (b) the exercise of the [REDACTED]; and (c) the exercise of options which may be granted under the Share Option Scheme, representing 10% of the Shares in issue on the [REDACTED]. All necessary arrangements have been made enabling all the aforementioned securities to be admitted into CCASS.

The Sponsor has declared the independence from the Company pursuant to Rule 6A.07 of the GEM Listing Rules. The Sponsor’s fees in connection with the [REDACTED] are approximately HK\$4.5 million.

17. Compliance adviser

In accordance with the requirements of the GEM Listing Rules, the Company has appointed Ample Capital Limited as its compliance adviser to provide consultancy services to the Company to ensure compliance with the GEM Listing Rules for a period commencing on the [REDACTED] and ending on the date on which the Company complies with the GEM Listing Rules in respect of its financial results for the second full financial year commencing after the [REDACTED].

18. Preliminary expenses

The preliminary expenses relating to the incorporation of the Company are approximately US\$5,458 (equivalent to approximately HK\$42,500) and are payable by the Company.

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19. Promoters

The Company does not have any promoter (as defined in the GEM Listing Rules).

20. Qualifications and consents of experts

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

<u>Name</u>	<u>Qualification</u>
Ample Capital Limited	licensed corporation to carry on types 4, 6 and 9 regulated activities (advising on securities, advising on corporate finance and asset management) as defined under the SFO
BDO Limited	Certified public accountants
Ben & Partners	Legal advisers as to Malaysia law
Conyers Dill & Pearman	Cayman Islands Attorneys-at-law
DTZ Nawawi Tie Leung Property Consultants Sdn Bhd	Property Valuers

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

None of the experts named above has any shareholding interest in any members of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

21. Binding Effect

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

22. Taxation of holders of Shares**(a) Hong Kong****(i) Profits**

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

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

(ii) *Stamp duty*

Hong Kong stamp duty will be payable by the purchaser on every purchase and by the seller on every sale of the Shares. The duty is charged at the current rate of 0.2% of the consideration or, if higher, the fair value of the Shares being sold or transferred (the buyer and seller each paying half of such stamp duty). In addition, a fixed duty of HK\$5 is currently payable on any instrument of transfer of shares.

(iii) *Estate duty*

Estate duty has been abolished in Hong Kong by The Revenue (Abolition of Estate Duty) Ordinance 2005 which came into effect on 11 February 2006.

(b) *The Cayman Islands*

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

(c) *Consultation with professional advisers*

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

23. Miscellaneous

- (a) Save as disclosed in this document, within two years immediately preceding the date of this document:
- (i) no share or loan capital of the Company or of any of its subsidiaries has been issued, agreed to be issued or is proposed to be issued fully or partly paid either for cash or for a consideration other than cash;
 - (ii) no commissions, discounts, brokerages (other than under the [REDACTED]) or other special terms have been granted in connection with the issue or sale of any share or loan capital of the Company or any of its subsidiaries;

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- (iii) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in the Company or any of its subsidiaries; and
- (iv) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
- (b) Saved as disclosed in this document, no founders, management or deferred shares of the Company or any of the subsidiaries have been issued or agreed to be issued;
- (c) the Directors confirm that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2015 (being the date to which the latest audited combined financial statements of the Group were made up);
- (d) There has not been any interruption in the business of the Group which has had a material adverse effect on the financial position of the Group in the 24 months preceding the date of this document;
- (e) None of the equity and debt securities of the Company is listed or dealt with on any other stock exchange nor is any listing or submission to deal being or proposed to be sought;
- (f) None of the Directors nor any of the persons whose names are listed in paragraph headed “Qualification and consents of experts” in this Appendix has received any commissions, discounts, agency fees, brokerages or other special terms in connection with the issue or sale of any share or loan capital of any member of the Group;
- (g) There has not been any interruption in the business of the Company which may have or has had a significant effect on the financial position of the Company in the 24 months preceding the date of this document;
- (h) Subject to the provisions of the Companies Law, the principal register of members of the Company will be maintained in the Cayman Islands by [REDACTED] and a branch register of members of the Company will be maintained in Hong Kong by [REDACTED]. Unless the Directors otherwise agree, all transfers and other documents of title of the Shares must be lodged for registration with and registered by, the Company’s branch [REDACTED] in Hong Kong and may not be lodged in the Cayman Islands;
- (i) All necessary arrangements have been made to enable the Shares to be admitted into CCASS;
- (j) There is no arrangement under which future dividends have been waived;
- (k) No company within the Group is presently listed on any stock exchange or traded on any trading system;

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- (l) In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail; and
- (m) The Company and its subsidiaries do not have any debt securities issued or outstanding, or authorised or otherwise created but unissued, or any term loans whether guaranteed or secured as at the Latest Practicable Date.