

**FURTHER INFORMATION ABOUT OUR GROUP*****1. Incorporation of our Company***

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 26 May 2017. Our Company was registered under Part 16 of the Companies Ordinance on 4 September 2017. Our principal place of business in Hong Kong is at Workshop E, 7th Floor, Derrick Industrial Building, No. 49 Wong Chuk Hang Road, Hong Kong. Mr. Chan Hon Wan has been appointed as the authorised representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, we operate subject to the relevant laws and regulations of the Cayman Islands and our constitution which comprises the Memorandum of Association and the Articles of Association. A summary of the relevant laws and regulations of the Cayman Islands and of our Company's constitution is set out in Appendix V to this prospectus.

***2. Changes in share capital of our Company*****(a) Change in authorised share capital**

As at the date of the incorporation of our Company, the authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each.

The authorised share capital of our Company was increased from HK\$380,000 to HK\$10,000,000 by the creation of 962,000,000 new Shares pursuant to a resolution passed by our Shareholders referred to in paragraph 3 below and subject to the conditions contained therein.

Pursuant to the resolutions passed by our Board and our Shareholders on 19 February 2020, an aggregate of 224,999,990 Shares will be issued and allotted under the Capitalisation Issue to our Shareholders whose names appear on the register of members of our Company as at the date of these resolutions.

Immediately following completion of the Capitalisation Issue and Global Offering (without taking into account of any Shares which may be issued and allotted pursuant to the exercise of the options which may be granted under the Share Option Scheme and the Over-allotment Option), our authorised share capital will be HK\$10,000,000 divided into 1,000,000,000 Shares, of which 300,000,000 Shares will be issued fully paid or credited as fully paid, and 700,000,000 Shares will remain unissued. Other than pursuant to the exercise the options which may be granted under the Share Option Scheme and the Over-allotment Option, there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of our 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 paragraph and in the paragraph headed "1. Incorporation of our Company" and "3. Resolutions of our Shareholders" of this Appendix and the section headed "History, Reorganisation and Corporate Structure" in this prospectus, there has been no alteration in the share capital of our Company since its incorporation.

**(b) Founder shares**

Our Company has no founder shares, management shares or deferred shares.

**3. Resolutions of our Shareholders**

By resolutions in writing of all of our Shareholders passed on 19 February 2020, pursuant to which, among other matters:

- (a) our Company approved and adopted the Memorandum of Association and the Articles of Association, the terms of which are summarised in Appendix V to this prospectus;
- (b) the authorised share capital of our Company was increased from HK\$380,000 to HK\$10,000,000 by the creation of 962,000,000 new Shares; and
- (c) conditional on (i) the Listing Committee granting listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this prospectus including any Shares which may be issued pursuant to the exercise of the options granted under the Share Option Scheme and the Over-allotment Option; and (ii) the obligations of the Underwriters under the Underwriting Agreements becoming unconditional and not being terminated in accordance with the terms of the Underwriting Agreements or otherwise, in each case on or before the date falling 30 days after the date of the issue of this prospectus:
  - (i) the Global Offering and the Over-allotment Option were approved and our Directors were authorised to allot and issue the Offer Shares pursuant to the Global Offering and to allot and issue additional Shares pursuant to the exercise of the Over-allotment Option;
  - (ii) the rules of the Share Option Scheme, the principal terms of which are set out in the paragraph headed “12. Share Option Scheme” in this Appendix, were approved and adopted and our Directors were authorised, at their absolute discretion, subject to the terms and conditions of the Share Option Scheme, to grant options to subscribe for Shares thereunder and to allot, issue and deal with the Shares pursuant to the exercise of subscription rights under any options which may be granted under the Share Option Scheme and to take all such actions as they consider necessary or desirable to implement the Share Option Scheme;
  - (iii) conditional on the share premium account of our Company being credited as a result of the Global Offering or otherwise having sufficient balance, our Directors were authorised to capitalise HK\$2,249,999.90 standing to the credit of the share premium account of our Company by applying that sum in paying up in full at par 224,999,990 Shares for allotment and issue to the holders of Shares whose names appear on the register of members of our Company at the close of business on 19 February 2020 (or as they may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a share shall be issued and allotted) to their then existing respective

shareholdings in our Company and so that the Shares be issued and allotted pursuant to this resolution shall rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;

- (iv) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, script dividend schemes or similar arrangements in accordance with the Articles, or upon the exercise of any options which may be granted under the Share Option Scheme or under the Global Offering or the Capitalisation Issue, Shares with an aggregate number of not exceeding the sum of (aa) 20% of the aggregate number of issued shares of our Company immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and the Over-allotment Option; (bb) the number of issued shares of our Company which may be purchased by our Company pursuant to the authority granted to our Directors as referred to in paragraph (v) below, until the conclusion of the next general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first;
  - (v) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase Shares on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and recognised by the SFC and the Stock Exchange for this purpose, in accordance with all applicable laws and requirements of the Listing Rules (or of such other stock exchange), such number of Shares as will represent up to 10% of the aggregate number of the issued shares of our Company immediately following completion of the Global Offering and the Capitalisation Issue but excluding any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and the Over-allotment Option, until the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first; and
  - (vi) the extension of the general mandate to allot, issue and deal with Shares pursuant to paragraph (iv) above to include the number of Shares which may be purchased or repurchased pursuant to (v) above; and
- (d) the form and substance of each of the service agreements made between our executive Directors and our Company, and the form and substance of each of the appointment letters made between our non-executive Director and our Company, and between each of our independent non-executive Directors and our Company, were approved.

#### **4. *Changes in share capital of the subsidiaries of our Company***

The subsidiaries of our Company are listed in Note 1 to the Accountants' Report.

Save as disclosed in the section headed "History, Reorganisation and Corporate Structure" in this prospectus, there is no alteration in the share capital of our subsidiaries which took place within the two years immediately preceding the date of this prospectus.

#### **5. *Group Reorganisation***

The companies comprising our Group underwent the Reorganisation to rationalise our Group's structure in preparation for Listing, steps of the Reorganisation are set out in the section headed "History, Reorganisation and Corporate Structure" in this prospectus.

#### **6. *Repurchase by our Company of our own securities***

This section includes information relating to the repurchase of securities, including information required by the Listing Rules to be included in this prospectus concerning such repurchase. The Listing Rules permit companies whose primary listing is on the Main Board of the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarised below:

##### **(a) Shareholders' approval**

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

Pursuant to a resolution in writing passed by our Shareholders on 19 February 2020, the Repurchase Mandate was given to our Directors authorising any repurchase by our Company of Shares on the Stock Exchange or any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose, of up to 10% of the aggregate numbers of issued Shares immediately following completion of the Capitalisation Issue and the Global Offering but excluding any Shares which may be issued pursuant to the exercise of any options which may be granted under the Share Option Scheme and the Over-allotment Option, such mandate to expire at the conclusion of the next annual general meeting of our Company, or the date by which the next annual general meeting of our Company is required by the Articles or applicable Cayman Islands law to be held, or the passing of an ordinary resolution by Shareholders in general meeting revoking or varying the authority given to our Directors, whichever occurs first. (Please refer to the above paragraph headed "3. Resolutions of our Shareholders" in this Appendix for further details).

##### **(b) Source of funds**

Any repurchases must be paid out of funds legally available for the purpose in accordance with the Articles of Association, Listing Rules and all the applicable Companies Law. We may not repurchase our 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. Under the Cayman Islands laws, any repurchases by us may be made out of our profits, our share premium account or out of the proceeds of

a fresh issue of Shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the Companies Law, out of capital. Any premium payable on a redemption or purchase over the par value of the Shares to be repurchased must be provided for out of either or both of our profits or our share premium account or, if authorised by the Articles and subject to the Companies Law, out of capital.

**(c) Connected parties**

The Listing Rules prohibit our Company from knowingly repurchasing its Shares on the Main Board of the Stock Exchange from a core connected person and a core connected person shall not knowingly sell his/her/its Shares to our Company.

No core connected person has notified our Company that he/she/it has a present intention to sell his/her/its Shares to our Company, or has undertaken not to do so, if any repurchase mandate is exercised.

**(d) Reasons for repurchases**

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

**(e) Funding of repurchases**

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

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

**(f) General**

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates currently intends to sell any Shares to our Company 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, the Articles, and the applicable laws of the Cayman Islands.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules).

Our Company has not made any repurchase of its own securities since its incorporation.

**(g) Takeovers Code**

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, 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 any such increase. 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.

**FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY**

**7. Summary of material contracts**

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

- (a) the Deed of Indemnity; and
- (b) the Hong Kong Underwriting Agreement.

## 8. Intellectual property rights of our Group

### Patents

As at the Latest Practicable Date, members of our Group have registered the following patents:

No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry	Significance
1	An anti-clogging spray tower (一種防堵塞噴淋塔)	Utility Patent	The PRC	ZL201120495097.X	11 July 2012	24 November 2021	Note 1
2	An extraction cleanser (一種萃取澄清器)	Utility Patent	The PRC	ZL201120499593.2	11 July 2012	4 December 2021	Notes 2 and 3
3	An oil removing device for tantalum liquid (一種鉬液除油裝置)	Utility Patent	The PRC	ZL201120495100.8	11 July 2012	24 November 2021	Note 2
4	A device for removing fluorine and drying (一種除氟烘乾裝置)	Utility Patent	The PRC	ZL201120495110.1	11 July 2012	24 November 2021	Note 2
5	An extractor of solvent (一種溶劑萃取器)	Utility Patent	The PRC	ZL201120472188.1	11 July 2012	14 November 2021	Note 2
6	A combined device for clearing fluorine (一種組合式洗氟裝置)	Utility Patent	The PRC	ZL201120472192.8	11 July 2012	14 November 2021	Notes 2 and 3
7	A feeder for pulp extraction (一種礦漿萃取給料裝置)	Utility Patent	The PRC	ZL201120472178.8	11 July 2012	14 November 2021	Note 3
8	A feeder (一種給料裝置)	Utility Patent	The PRC	ZL201220029546.6	29 August 2012	11 January 2022	Note 2
9	A method of preparing super high-purity tantalum metal of target material grade (一種靶材級超高純鉬金屬的製取方法)	Invention	The PRC	ZL201110316023.X	28 August 2013	8 October 2031	Note 2
10	A device for observing phase interface in extraction tank (一種萃取槽相介面觀察裝置)	Utility Patent	The PRC	ZL201320557293.4	12 February 2014	9 September 2023	Note 2
11	A transmission gear for extraction tank (一種萃取槽的傳動裝置)	Utility Patent	The PRC	ZL201320557291.5	12 February 2014	9 September 2023	Notes 2 and 3
12	A method of manufacturing crucible for production of niobium pentoxide and tantalum pentoxide (一種氧化鈮、氧化鉬生產用坩堝的製造方法)	Invention	The PRC	ZL201310409416.4	21 January 2015	10 September 2033	Notes 2 and 3

No.	Title	Type	Place of registration	Registration number	Date of grant	Date of expiry	Significance
13	A method of recycling tin from waste water containing tin (一種從含錫廢液中回收錫的方法)	Invention	The PRC	ZL201310409160.7	27 May 2015	10 September 2033	Notes 2 and 3
14	A mobile nozzle of spray tower (一種噴淋塔活動式噴頭裝置)	Utility Patent	The PRC	ZL201420793730.7	27 May 2015	15 December 2024	Note 1
15	A combined device for efficient dedusting and elution (一種高效除塵、淋洗一體化裝置)	Utility Patent	The PRC	ZL201520948132.7	7 September 2016	24 November 2025	Notes 1 and 3
16	A reaction kettle for continuous neutralisation reaction (一種連續式中和反應釜)	Utility Patent	The PRC	ZL201720143800.8	24 October 2017	15 February 2027	Note 1
17	A method of recycling tungsten from waste water containing tungsten (一種從含鎢廢液中回收鎢的方法)	Invention	The PRC	ZL201410777734.0	12 December 2017	16 December 2034	Note 2
18	A reaction kettle for environmentally-friendly neutralisation reaction (一種環保型中和反應釜)	Utility Patent	The PRC	ZL201720143798.4	13 March 2018	15 February 2027	Notes 1 and 2
19	A device for tantalum and niobium decomposition (一種鉭鉍分解裝置)	Utility Patent	The PRC	ZL201820234603.1	18 September 2018	8 February 2028	Notes 2 and 3
20	A device for tantalum and niobium neutralisation and precipitation (一種鉭鉍中和沉澱裝置)	Utility Patent	The PRC	ZL201820800473.3	11 December 2018	24 May 2028	Note 1
21	A device for the safe decomposition leaching of alloy containing tantalum and niobium (一種用於含鉭鉍合金的安全分解浸出的裝置)	Utility Patent	The PRC	ZL201820800472.9	11 December 2018	24 May 2028	Notes 1 and 3
22	An integrated restoration device for analysis and detection (一種分析檢測用一體式還原裝置)	Utility Patent	The PRC	ZL201820817268.8	15 January 2019	24 May 2028	Note 2



<u>No.</u>	<u>Title</u>	<u>Type</u>	<u>Place of registration</u>	<u>Registration number</u>	<u>Date of grant</u>	<u>Date of expiry</u>	<u>Significance</u>
23	An elution device for efficient removal of waste gas from decomposition of tantalum and niobium (一種高效去除鈮鉬分解廢氣的淋洗裝置)	Utility Patent	The PRC	ZL201820243442.2	29 January 2019	10 February 2028	<i>Note 1</i>
24	A reaction kettle for environmentally-friendly neutralisation reaction (一種環保型中和反應釜)	Invention	The PRC	ZL201710084442.2	17 May 2019	15 February 2037	<i>Notes 1 and 2</i>

*Notes:*

1. These patents are designed to enhance environmental pollution control during our production process.
2. These patents are designed to increase the efficiency of our production process and/or to reduce production cost.
3. These patents are designed to reduce maintenance cost of our production machinery and equipment.

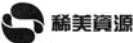
As at the Latest Practicable Date, members of our Group have applied for the following patents:

<u>No.</u>	<u>Title</u>	<u>Type</u>	<u>Place of registration</u>	<u>Application number</u>	<u>Date of application</u>
1	A treatment process of wastewater containing fluorine, ammonia and nitrogen (一種含氟氨氮廢水的處理工藝)	Invention	The PRC	201510827441.3	25 November 2015
2	A method of preparing large loose specific weight and spherical niobium pentoxide (一種大松裝比重、球形五氧化二鈮的製備方法)	Invention	The PRC	201611145833.2	13 December 2016
3	A method of treating waste water containing fluorine, ammonia and nitrogen from tantalum and niobium industry (一種鈮鉬工業含氟氨氮廢水的資源化處理方法)	Invention	The PRC	201611146882.8	13 December 2016
4	A recycling method for industrial wastewater containing fluorine (一種含氟工業廢水的回收方法)	Invention	The PRC	201710129856.2	7 March 2017
5	A method to prepare high purity niobium oxide from alloy containing tantalum, niobium and iron (一種鈮鉬鐵合金製備高純氧化鈮的方法)	Invention	The PRC	201810966562.X	23 August 2018


No.	Title	Type	Place of registration	Application number	Date of application
6	A preparation method of low antimony niobium oxide and a preparation method of low antimony tantalum oxide (一種低銻氧化鈮的製備方法及一種低銻氧化鉭的製備方法)	Invention	The PRC	201810966539.0	23 August 2018
7	Extraction agent for extraction of tantalum and niobium and its preparation method, extraction method of tantalum and niobium (用於萃取鉭鈮的萃取劑及其製備方法、鉭鈮萃取方法)	Invention	The PRC	201811264481.1	26 October 2018
8	A method for removing copper element in the production process of niobium oxide product (一種在鉭鈮氧化物產品生產過程中去除銅元素的方法)	Invention	The PRC	201811603140.2	26 December 2018
9	A resource recovery treatment method of fluorine-containing wastewater of hydrometallurgical process of tantalum and niobium* (一種鉭鈮濕法冶煉含氟鹼性廢水的資源化治理方法)	Invention	The PRC	201811630859.5	29 December 2018
10	A method for determining fluorine content in fluorine-containing liquid during hydrometallurgical process of tantalum and niobium* (一種鉭鈮濕法冶煉過程中的含氟液體中氟含量的測定方法)	Invention	The PRC	201811645708.7	30 December 2018
11	A method for detecting sulfate (一種硫酸根的檢測方法)	Invention	The PRC	201910707630.5	1 August 2019
12	A high moisture material feeding device (一種高水分物料進料裝置)	Invention	The PRC	201910913335.5	25 September 2019
13	High moisture material feeding device (高水分物料進料裝置)	Utility Patent	The PRC	201921613405.7	25 September 2019
14	Dynamic wave scrubber nozzle, dynamic wave scrubber and method for cleaning fluorine ions in tantalum niobium hydroxide (動力波洗滌器噴嘴、動力波洗滌器及鉭鈮氫氧化物中氟離子的清洗方法)	Invention	The PRC	201910920793.1	26 September 2019
15	Method for recovering tantalum and niobium from tantalum-niobium alloy (從鉭鈮合金中回收鉭鈮的方法)	Invention	The PRC	201910917072.5	26 September 2019
16	Method for preventing agglomeration in sintering process of tantalum and niobium material (防止鉭鈮物料燒結過程發生結塊的方法)	Invention	The PRC	201910916673.4	26 September 2019

**Trademark**

As at the Latest Practicable Date, members of our Group have registered the following trademarks:

No.	Trademark	Place of registration	Class	Registration No.	Date of registration	Date of expiry
1	 赫美資源	Hong Kong	6, 36, 40 (Note 1)	304219218	26 July 2017	25 July 2027
2	致远新材	The PRC	40 (Note 2)	27864327	21 December 2018	20 December 2028

As at the Latest Practicable Date, members of our Group have applied for the following trademark:

No.	Trademark	Place of registration	Class	Trademark No.
1		Hong Kong	6, 35, 36, 40 (Note 3)	305065443

Notes:

- The specific goods or services (as the case may be) under the respective classes in respect of which these trademarks were registered for under the Hong Kong trademark law are as follows:

Class	Goods/Services
6	Tantalum (metal); niobium; titanium; tungsten; tin; nickel; metal powder; cobalt (unprocessed); manganese; zinc
36	Capital investment; finance management; finance lease; fund investment; budget
40	Tin welding; electroplating; tin plating; zinc plating; metal processing; metal tempering; nickel plating; refining

- The specific goods or services (as the case may be) under the respective classes in respect of which these trademarks were registered for under the PRC trademark law are as follows:

Class	Goods/Services
40	Electroplating; tin plating; zinc plating; metal processing; metal tempering; nickel plating; refining; tin welding

- The specific goods or services (as the case may be) under the respective classes in respect of these trademarks were applied for under the Hong Kong trademark law are as follows:

Class	Goods/Services
6	Tantalum (metal); niobium; cobalt (unprocessed); titanium; tungsten; tin; zinc; nickel; powdered metal; manganese; molybdenum; processed or semi-processed copper; processed or semi-processed lead
35	Import and export agent; marketing; online market for buyers and sellers of goods and services; marketing under the software publishing framework; business information provided through the website; business management of franchise; advertising; advertisement promotion; prepare web page index for commercial or advertising purposes; sales promotion for others
36	Fund investment; capital investment; financial valuation; financial management; financial leasing; providing financial information through the website; real estate management; real estate agency; guarantee; pawn
40	Metal treatment; nickel plating; refining; soldering; electroplating; tin plating; galvanizing; metal tempering; metal casting; material vulcanization; gold plating

**Copyright**

As at the Latest Practicable Date, members of our Group have registered the following copyright:

Copyright	Place of registration	Registration No.	Date of registration
	The PRC	國作登字-2019-F-00781622	15 May 2019

**Domain name**

As at the Latest Practicable Date, members of our Group have registered the following domain name:

Domain name	Registration date	Expiry date
zhiyuanm.com	12 April 2017	12 April 2022

**9. Related party transactions**

Save as disclosed in Note 28 to the Accountants' Report, during the two years immediately preceding the date of this prospectus, we have not engaged in any other material related party transactions.

**FURTHER INFORMATION ABOUT DIRECTORS, SUBSTANTIAL SHAREHOLDERS AND EXPERTS****10. Directors****(a) Disclosure of interests of Directors**

- (i) Mr. Wu is interested in the Reorganisation.
- (ii) Save as disclosed in this prospectus, none of our Directors or their associates was engaged in any dealings with our Group during the two years preceding the date of this prospectus.

**(b) Particulars of Directors' service contracts***Executive Directors*

Each of our executive Directors has entered into a service contract with our Company pursuant to which they agreed to act as executive Directors for an initial term of three years with effect from 19 February 2020. The terms and conditions of each of such service agreements are similar in all material aspects. The term of service shall be renewed and extended automatically by one year on the expiry of such initial term, unless either party has given at least three months' written notice of non-renewal before the expiry of the initial term.

Each of our executive Directors is entitled to a basic salary as set out below (subject to an annual increment after 31 December 2019 at the discretion of our Directors of not more than 5% of the annual salary immediately prior to such increase). In addition, each of our executive Directors is also entitled to a discretionary management bonus provided that the aggregate amount of the bonuses payable to all our

executive Directors for any financial year of our Company may not exceed 10% of the audited combined or consolidated audited net profit of our Group (after taxation and minority interests and payment of such bonuses but before extraordinary items) in respect of that financial year of our Company. An executive Director is required to abstain from voting and is not counted towards the quorum in respect of any resolution of our Directors regarding the amount of the monthly salary and the discretionary bonus payable to him/her. The current basic annual salaries (excluding discretionary bonus) of our executive Directors are as follows:

<u>Name</u>	<u>Annual salary</u>
	HK\$'000
Mr. Wu	1,000
Ms. Wu Shandan	580

*Non-executive Directors*

Each of our non-executive Director and our independent non-executive Directors has been appointed for an initial term of two years commencing from 19 February 2020 renewable automatically for a term of one year commencing from the next day after the expiry of the initial term of appointment, and can be terminated by not less than three months' notice in writing served by our non-executive Director and our independent non-executive Directors or our Company after the end of the initial term. The current basic annual salaries of our non-executive Directors are as follows:

<u>Name</u>	<u>Annual salary</u>
	HK\$'000
Mr. Zeng Min	120
Mr. Lau Kwok Fai Patrick	150
Mr. Zhong Hui	100
Mr. Yin Fusheng	100

Save for directors' fees, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

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

**(c) Remunerations of Directors**

- (i) The aggregate emoluments paid and benefits in kind granted by our Group to our Directors in respect of each of FY2016, FY2017, FY2018 and 8M2019 was approximately RMB0.9 million, RMB1.0 million, RMB0.9 million and RMB0.7 million, respectively.
- (ii) Under the arrangements currently in force, the aggregate emoluments (excluding discretionary bonus) payable by our Group to and benefits in kind receivable by our Directors (including our non-executive Director) for the year ended 31 December 2019, are expected to be approximately RMB1.1 million.

- (iii) None of our Directors or any past directors of any member of our Group has been paid any sum of money for each of the each of FY2016, FY2017, FY2018 and 8M2019 as (i) an inducement to join or upon joining our Company; or (ii) for loss of office as a director of any member of our Group or any other office in connection with the management of the affairs of any member of our Group.
- (iv) There has been no arrangement under which a Director has waived or agreed to waive any emoluments for each of FY2016, FY2017, FY2018 and 8M2019.

**(d) Interests and short positions of our Directors in the Shares, underlying Shares or debentures of our Company and our associated corporations following the Global Offering**

Immediately following completion of the Capitalisation Issue and the Global Offering and taking no account of any Shares which may be issued and allotted pursuant to the Share Option Scheme and the Over-allotment Option, the interests or short positions of our Directors in the Shares, underlying Shares and debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules required to be notified to our Company and the Stock Exchange, will be as follows:

<u>Name of Director</u>	<u>Capacity</u>	<u>Number of Shares</u> <i>(Note 1)</i>	<u>Approximate percentage of shareholding (%)</u>
Mr. Wu	Interest of controlled corporation	157,500,000 (L) <i>(Note 2)</i>	52.5

*Notes:*

- The letter "L" denotes long position in our Shares.
- These represents Shares to be held by Jiawei Resources Seychelles, which was wholly owned by Mr. Wu as at the Latest Practicable Date.

Save as disclosed above, so far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account of any Shares which may be issued and allotted upon the exercise of any option granted under the Share Option Scheme), none of our Directors and chief executive of our Company has any interests or short positions in the shares or underlying shares and debentures of our Company or its associated corporations which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) once the Shares are listed, or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein once the Shares are listed, or which will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules to be notified to our Company and the Stock Exchange once the Shares are listed.

*11. Interests discloseable under the SFO and substantial shareholders*

So far as our Directors are aware, immediately following completion of the Capitalisation Issue and the Global Offering and taking no account of any Shares which may be issued and allotted pursuant to the Share Option Scheme and the Over-allotment Option, other than a Director or chief executive of our Company whose interests are disclosed under the sub-paragraph headed “Interests and short positions of our Directors in the Shares, underlying shares or debentures of our Company and our associated corporations following the Global Offering” above, the following persons will have an interest or short position in the Shares or underlying Shares of our Company 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 which are required to be recorded in the register of our Company required to be kept under section 336 of the SFO or who are directly or indirectly interested in 10% or more of the issued share capital carrying rights to vote in all circumstances at general meetings of any member of our Group will be as follows:

<b>Name of Substantial Shareholders</b>	<b>Capacity</b>	<b>Number of Shares (Note 1)</b>	<b>Approximate percentage of shareholding (%)</b>
Jiawei Resources Seychelles	Beneficial owner	157,500,000 (L)	52.5
Ms. Ruan Xiaomei	Interest of spouse	157,500,000 (L) (Note 2)	52.5
MACRO-LINK Cayman	Beneficial owner	67,500,000 (L) (Note 3)	22.5
MACRO-LINK International	Interest in controlled corporation	67,500,000 (L) (Note 3)	22.5
MACRO-LINK Industrial	Interest in controlled corporation	67,500,000 (L) (Note 3)	22.5
MACRO-LINK Holding	Interest in controlled corporation	67,500,000 (L) (Note 3)	22.5
XiZang ChangShi	Interest in controlled corporation	67,500,000 (L) (Note 3)	22.5
Mr. Fu Kwan	Interest in controlled corporation	67,500,000 (L) (Note 3)	22.5
Ms. Wu Xiangming	Interest of spouse	67,500,000 (L) (Note 4)	22.5
Ms. Xiao Wenhui	Interest in controlled corporation	67,500,000 (L) (Note 3)	22.5
Mr. Chen Bin	Interest of spouse	67,500,000 (L) (Note 5)	22.5

*Notes:*

- The Letter “L” denotes long position in our Shares.
- Ms. Ruan Xiaomei is the spouse of Mr. Wu. By virtue of the SFO, Ms. Ruan Xiaomei is deemed to be interested in all the Shares held by Mr. Wu. Jiawei Resources Seychelles is wholly owned by Mr. Wu. By virtue of the SFO, Mr. Wu is deemed to be interested in all the Shares held by Jiawei Resources Seychelles.
- As at the Latest Practicable Date, MACRO-LINK Cayman was owned by MACRO-LINK International as to approximately 96.33%, which was in turn wholly owned by MACRO-LINK Industrial, which was in turn wholly-owned by MACRO-LINK Holding, which was in turn owned by, among others, XiZang ChangShi Mr. Fu Kwan and Ms. Xiao Wenhui as to approximately 93.40%, 2.83% and 0.11%, respectively. As at the Latest Practicable Date, XiZang ChangShi was owned by, among others, Mr. Fu Kwan and Ms. Xiao Wenhui by approximately 59.76% and 33.46%, respectively.

4. Ms. Wu Xiangming is the spouse of Mr. Fu Kwan. By virtue of the SFO, Ms. Wu Xiangming is deemed to be interested in all the Shares held by Mr. Fu Kwan.
5. Mr. Chen Bin is the spouse of Ms. Xiao Wenhui. By virtue of the SFO, Mr. Chen Bin is deemed to be interested in all the Shares held by Ms. Xiao Wenhui.

Save as disclosed above, our Directors are not aware of any person who will, immediately following completion of the Capitalisation Issue and the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account of any Shares which may be issued and allotted upon the exercise of any option granted under the Share Option Scheme), have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who will be, 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 members of our Group.

#### ***11A. Disclaimers***

Save as disclosed in this prospectus:

- (a) taking no account of any Shares which may be taken up or acquired under the Global Offering or any Shares which may be issued and allotted upon the exercise of any options which may be granted under the Share Option Scheme, our Directors are not aware of any person who immediately following completion of the Capitalisation Issue and the Global Offering will have an interest or short position in our Shares and underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who is, either directly or indirectly, interested in 10% or more of the issued voting shares of our Company or any other members of our Group;
- (b) none of our Directors or chief executive of our Company has for the purpose of Divisions 7 and 8 of Part XV of the SFO or the Listing Rules, nor is any of them taken to or deemed to have under Divisions 7 and 8 of Part XV of the SFO, an interest or short position in the shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of the SFO) or any interest which will have to be entered in the register of to be kept by our Company pursuant to section 352 of the SFO or which will be required to be notified to our Company and the Stock Exchange pursuant to Appendix 10 to the Listing Rules once our Shares are listed on the Stock Exchange;
- (c) none of our Directors nor any of the experts listed in paragraph headed “19. Qualifications of experts” below has been interested, directly or indirectly, in the promotion of our Company, or in any assets which have been, within the two years immediately preceding the date of this prospectus, 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 subsisting at the date of this prospectus which is significant in relation to the business of our Group; and



- (e) save in connection with the Underwriting Agreements, none of the experts listed in paragraph headed “19. Qualifications of experts” below:
  - i. is interested legally or beneficially in any securities of any member of our Group; or
  - ii. has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

## OTHER INFORMATION

### 12. Share Option Scheme

#### (a) Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally adopted by a resolution in writing passed by all Shareholders on 19 February 2020:

##### (i) Purpose of the scheme

The purpose of the Share Option Scheme is to enable us to grant options to selected participants as incentives or rewards for their contribution to us. Our Directors consider the Share Option Scheme, with its broadened basis of participation, will enable us to reward the employees, our Directors and other selected participants for their contributions to us. Given that our Directors are entitled to determine any performance targets to be achieved as well as the minimum period that an option must be held before an option can be exercised on a case by case basis, and that the exercise price of an option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by our Directors, it is expected that grantees of an option will make an effort to contribute to our development so as to bring about an increased market price of the Shares in order to capitalise on the benefits of the options granted.

##### (ii) Who may join

Our Directors (which expression shall, for the purpose of this paragraph 12, include a duly authorised committee thereof) may, at its absolute discretion, invite any person belonging to any of the following classes of participants, to take up options to subscribe for Shares:

- (aa) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of our Company, any of our subsidiaries or any entity (the “**Invested Entity**”) in which our Group holds an equity interest (“**Eligible Employee**”);
- (bb) any non-executive directors (including independent non-executive directors) of our Company, any of our subsidiaries or any Invested Entity;
- (cc) any supplier of goods or services to any member of our Group or any Invested Entity;
- (dd) any customer of any member of our Group or any Invested Entity;
- (ee) any person or entity that provide research, development or other technological support to any member of our Group or any Invested Entity;

- (ff) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (gg) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and
- (hh) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement and growth of our Group,

and, for the purpose of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. For the avoidance of doubt, the grant of any options by our Company for the subscription of Shares or other securities of our Group to any person who fall within any of the above classes of participants shall not, by itself, unless our Directors otherwise determine, be construed as a grant of option under the Share Option Scheme.

The eligibility of any of the above class of participants to the grant of any option shall be determined by our Directors from time to time on the basis of our Directors' opinion as to his contribution to the development and growth of our Group.

*(iii) Maximum number of Shares*

- (aa) The maximum number of Shares which may be issued and allotted upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes adopted by our Group shall not exceed 30% of the issued share capital of our Company from time to time.
- (bb) The total number of Shares which may be issued and allotted upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of our Group) to be granted under the Share Option Scheme and any other share option scheme of our Group must not in aggregate exceed 10% of the Shares in issue on the day on which trading of the Shares commence on the Main Board of the Stock Exchange (excluding any Shares which may be issued pursuant to the Over-allotment Option) (the “**General Scheme Limit**”).
- (cc) Subject to (aa) above but without prejudice to (dd) below, our Company may seek approval of our Shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued and allotted upon exercise of all options to be granted under the Share Option Scheme and any other share options scheme of our Group must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and any other share option scheme of our Group) previously granted under the Share Option Scheme and any other share option scheme of our Group will not be counted. The circular sent by our Company to our Shareholders shall contain, among other information, the information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

- (dd) Subject to (aa) above and without prejudice to (cc) above, our Company may seek separate Shareholders' approval in general meeting to grant options beyond the General Scheme Limit or, if applicable, the refreshed limit referred to in (cc) above to participants specifically identified by our Company before such approval is sought. In such event, our Company must send a circular to our Shareholders containing a general description of the specified participants, the number and terms of options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

*(iv) Maximum entitlement of each participant*

The total number of Shares issued and which may fall to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of our Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued share capital of our Company for the time being (the "**Individual Limit**"). Any further grant of options in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to our Shareholders and our Shareholders' approval in general meeting of our Company with such participant and his associates abstaining from voting. The number and terms (including the exercise price) of options to be granted to such participant must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the exercise price under note (1) to Rule 17.03(9) of the Listing Rules.

*(v) Grant of options to connected persons*

- (aa) Any grant of options under the Share Option Scheme to a director, chief executive or substantial shareholder of our Company or any of their respective associates (as defined under the Listing Rules) must be approved by independent non-executive Directors (excluding any independent non-executive Director who or whose associates is the grantee of the options).
- (bb) Where any grant of options to a substantial shareholder of our Company or an independent non-executive Director or any of their respective associates, would result in the 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 12-month period up to and including the date of such grant:
- (i) representing in aggregate over 0.1% of the Shares in issue; and
  - (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million;

such further grant of options must be approved by our Shareholders in general meeting. Our Company must send a circular to our Shareholders. All core connected persons of our Company must abstain from voting at such general meeting, except that any connected person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular. Any

vote taken at the meeting to approve the grant of such options must be taken on a poll. Any change in the terms of options granted to a substantial shareholder or an independent non-executive director of our Company or any of their respective associates must be approved by our Shareholders in general meeting.

*(vi) Time of acceptance and exercise of option*

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be determined and notified by our Directors to each grantee, which period may commence on a day after the date upon which the offer for the grant of options is made but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof. Unless otherwise determined by our Directors and stated in the offer of the grant of options to a grantee, there is no minimum period required under the Share Option Scheme for the holding of an option before it can be exercised.

*(vii) Performance targets*

Unless our Directors otherwise determined and stated in the offer of the grant of options to a grantee, a grantee is not required to achieve any performance targets before any options granted under the Share Option Scheme can be exercised.

*(viii) Subscription price for Shares and consideration for the option*

The subscription price for Shares under the Share Option Scheme will be a price determined by our Directors, but shall not be less than the higher of (i) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet for trade in one or more board lots of our Shares on the date of the offer of grant, which must be a business day; (ii) the average closing price of Shares as stated in the Stock Exchange's daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

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

*(ix) Ranking of Shares*

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

(bb) Unless the context otherwise requires, references to “Shares” in this paragraph include references to shares in the ordinary equity share capital of our Company of such nominal amount as shall result from a subdivision, consolidation, reclassification or reduction of the share capital of our Company from time to time.

*(x) Restrictions on the time of grant of options*

No offer for grant of options shall be made after inside information has come to the knowledge of our Company until we have announced the information in accordance with the requirements of the Listing Rules. In particular, during the period commencing one month immediately preceding the earlier of (aa) the date of the meeting of our Directors for the approval of our Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (bb) the last date on which our Company must publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the announcement of the results, no option may be granted.

Our Directors may not grant any option to a participant who is a Director during the periods or times in which Directors are prohibited from dealing in shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by our Company.

*(xi) Period of the Share Option Scheme*

The Share Option Scheme will remain in force for a period of 10 years commencing on the date on which the Share Option Scheme is adopted.

*(xii) Rights on ceasing employment*

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee for any reason other than death, ill-health or retirement in accordance with his contract of employment or other grounds referred to in sub-paragraph (xiv) below before exercising his option in full, the option (to the extent not already exercised) will lapse on the date of cessation and will not be exercisable unless our Directors otherwise determine in which event the grantee may exercise the option (to the extent not already exercised) in whole or in part within such period as our Directors may determine following the date of such cessation or termination, which will be taken to be the last day on which the grantee was at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not.

Eligible Employee means any employee (whether full time or part time employee, including any executive Director but not any non-executive Director) of our Company, any of our subsidiaries or any Invested Entity.

*(xiii) Rights on death, ill-health or retirement*

If the grantee of an option is an Eligible Employee and in the event of him ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the option in full, his personal representative(s), or, as appropriate, the grantee may exercise the option (to the extent not already exercised) in whole or in part within a period of 12 months following the date of cessation which date shall be the last day on which the grantee was

at work with our Group or the Invested Entity whether salary is paid in lieu of notice or not or such longer period as our Directors may determine or, if any of the events referred to in sub-paragraph (xvi) or (xvii) occur during such period.

*(xiv) Rights on dismissal*

If the grantee of an option is an Eligible Employee and ceases to be an Eligible Employee by reason that he has been guilty of serious misconduct or has committed any act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of our Directors does not bring the grantee or our Group or the Invested Entity into disrepute), his option will lapse automatically and will not in any event be exercisable on or after the date of cessation to be an Eligible Employee.

*(xv) Rights on breach of contract*

If our Directors shall at their absolute discretion determine that (aa) (1) the grantee of any option 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 our Group or any Invested Entity on the other part; or (2) that the grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; or (3) the grantee could no longer make any contribution to the growth and development of any member of our Group by reason of the cessation of its relations with our Group or by other reason whatsoever; and (bb) the option granted to the grantee under the Share Option scheme shall lapse as a result of (1), (2) or (3) above.

*(xvi) Rights on a general offer, a compromise or arrangement*

If a general or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all 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, our 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 options granted to them, Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to our Shareholders, a grantee shall be entitled to exercise his option (to the extent not already exercised) to its full extent or to the extent specified in the grantee's notice to our Company in exercise of his option at any time before the close of such offer (or any revised offer) or the record date for entitlements under such scheme of arrangement, as the case may be. Subject to the above, an option will lapse automatically (to the extent not exercised) on the date on which such offer (or, as the case may be, revised offer) closes or the relevant record date for entitlements under the scheme of arrangement, as the case may be.

*(xvii) Rights on winding up*

In the event of a resolution being proposed for the voluntary winding-up of our Company during the option period, the grantee may, subject to the provisions of all applicable laws, by notice in writing to our Company at any time not less than two business days before the date on which such resolution is to be considered and/or passed, exercise his 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 the Share Option

Scheme and our Company shall allot and issue to the grantee the Shares in respect of which such grantee has exercised his option not less than one business day before the date on which such resolution is to be considered and/or passed whereupon the grantee shall accordingly be entitled, in respect of the Shares issued and allotted to him in the aforesaid manner, to participate in the distribution of the assets of our 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 options then outstanding shall lapse and determine on the commencement of the winding-up of our Company.

*(xviii) Grantee being a company wholly owned by eligible participants*

If the grantee is a company wholly owned by one or more eligible participants:

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

*(xix) Adjustments to the subscription price*

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of capital of our Company whilst an option remains exercisable, such corresponding alterations (if any) certified by the auditors for the time being of or an independent financial adviser to our Company as fair and reasonable will be made to the number or nominal amount of Shares to which the Share Option Scheme or any option relates (insofar as it is/they are unexercised) and/or the subscription price of the option concerned and/or (unless the grantee of the option elects to waive such adjustment) the number of Shares comprised in an option, provided that (i) any adjustments shall give a grantee the same proportion of the issued share capital to which he was entitled prior to such alteration; (ii) the issue of Shares or other securities of our Group as consideration in a transaction may not be regarded as a circumstance requiring adjustment; and (iii) no alteration shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. In addition, in respect of any such adjustments, other than any made on a capitalisation issue, such auditors or independent financial adviser must confirm to our Directors in writing that the adjustments satisfy the requirements of the relevant provision of the Listing Rules.

*(xx) Cancellation of options*

Any cancellation of options granted but not exercised must be subject to the prior written consent of the relevant grantee and the approval of our Directors.



When our Company cancels any option granted to a grantee but not exercised and issues new option(s) to the same grantee, the issue of such new option(s) may only be made with available unissued options (excluding the options so cancelled) within the General Scheme Limit or the new limits approved by our Shareholders pursuant sub-paragraphs (iii) (cc) and (dd) above.

*(xxi) Termination of the Share Option Scheme*

Our Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme and in such event no further options shall 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 options (to the extent not already exercised) granted prior to the termination or otherwise as may be required in accordance with the provisions of the Share Option Scheme. 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.

*(xxii) Rights are personal to the grantee*

An option is personal to the grantee and shall not be transferable or assignable.

*(xxiii) Lapse of option*

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

- (aa) the expiry of the period referred to in paragraph (vi);
- (bb) the expiry of the periods or dates referred to in paragraph (xii), (xiii), (xiv), (xv), (xvi), (xvii) and (xviii); and
- (cc) the date on which our Directors exercise our Company's right to cancel the option by reason of a breach of paragraph (xxii) above by the grantee.

*(xxiv) Others*

- (aa) The Share Option Scheme is conditional on the Listing Committee granting the listing of and permission to deal in, such number of Shares representing the General Scheme Limit to be issued and allotted by our Company pursuant to the exercise of any options in accordance with the terms and conditions of the Share Option Scheme.
- (bb) The terms and conditions of the Share Option Scheme relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees of the options except with prior sanction of a resolution of our Shareholders in general meeting.
- (cc) Any alterations to the terms and conditions of the Share Option Scheme which are of a material nature of options granted must be approved by our Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the Share Option Scheme.
- (dd) The amended terms of the Share Option Scheme or the options shall comply with the relevant requirements of Chapter 17 of the Listing Rules.



- (ee) Any change to the authority of our Directors or the scheme administrators in relation to any alteration to the terms of the Share Option Scheme shall be approved by our Shareholders in general meeting.

**(b) Present status of the Share Option Scheme**

*(i) Approval of the Listing Committee required*

The Share Option Scheme is conditional on the Listing Committee granting the listing of, and permission to deal in, such number of Shares to be issued pursuant to the exercise of any options in accordance with the terms and conditions of the Share Option Scheme, such number being not less than that of the General Scheme Limit.

*(ii) Application for approval*

Application has been made to the Listing Committee for the listing of and permission to deal in our Shares to be issued within the General Scheme Limit pursuant to the exercise of any options which may be granted under the Share Option Scheme.

*(iii) Grant of option*

As at the date of this prospectus, no options have been granted or agreed to be granted under the Share Option Scheme.

*(iv) Value of options*

Our Directors consider it inappropriate to disclose the value of options which may be granted under the Share Option Scheme as if they had been granted as at the Latest Practicable Date. Any such valuation will have to be made on the basis of certain option pricing model or other methodology, which depends on various assumptions including, the exercise price, the exercise period, interest rate, expected volatility and other variables. As no options have been granted, certain variables are not available for calculating the value of options. Our Directors believe that any calculation of the value of options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to investors.

**13. Estate duty, tax and other indemnities**

Our Controlling Shareholders (together, the “**Indemnifiers**”) have entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of our present subsidiaries) (being the material contract (a) referred to in paragraph 7 above) to provide indemnities on a joint and several basis in respect of, among other matters:

- (a) any liability for Hong Kong estate duty which might be incurred by any member of our Group by reason of any transfer of property (within the meaning of sections 35 and 43 of the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) or the equivalent thereof under the laws of any jurisdiction outside Hong Kong) to any member of our Group on or before Listing; and

- (b) tax liabilities (including all fines, penalties, costs, charges, expenses and interests incidental or relating to taxation) which might be payable by any member of our Group in respect of any income, profits, gains, transactions, events, matters or things earned, accrued, received, entered into or occurring on or before the Listing Date, whether alone or in conjunction with any other circumstances whenever occurring and whether or not such tax liabilities are chargeable against or attributable to any other person, firm, company or corporation.

The Indemnifiers are under no liability under the deed of indemnity in respect of any taxation:

- (a) to the extent that provision has been made for such taxation in the audited accounts of any member of our Group for any accounting period up to 31 August 2019;
- (b) to the extent that such taxation or liability falling on any of the members of our Group in respect of any accounting period commencing on or after 1 September 2019 and ending on the Listing Date, where such taxation or liability would not have arisen but for some act or omission of, or transaction voluntarily effected by, any member of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement of the Indemnifiers, otherwise than any such act, omission or transaction:
  - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or after 1 September 2019; or
  - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before 31 August 2019 or pursuant to any statement of intention made in this prospectus; or
- (c) to the extent that such taxation liabilities or claim arises or are incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Inland Revenue Department or the taxation authority of the PRC, or any other relevant authority (whether in Hong Kong or the PRC or any other part of the world) coming into force after the date of the deed of indemnity or to the extent such claim arises or is increased by an increase in rates of taxation after the date of the deed of indemnity with retrospective effect; or
- (d) to the extent that any provision or reserve made for taxation in the audited accounts of any member of our Group up to 31 August 2019 and which is finally established to be an overprovision or an excessive reserve, in which case the Indemnifiers' liability (if any) in respect of such taxation shall be reduced by an amount not exceeding such provision or reserve, provided that the amount of any such provision or reserve applied referred to in this paragraph to reduce the Indemnifiers' liability in respect of taxation shall not be available in respect of any such liability arising thereafter.

Under the deed of indemnity, each of the Indemnifiers has also undertaken to us that he/it will indemnify and at all times keeps us fully indemnified, on a joint and several basis, from among other matters, all claims, payments, suits, damages, settlements, liabilities, losses, administrative or other charges, levies, payments and any associated costs and expenses which would be incurred or suffered by any member of our Group as a result of any litigation, arbitration and/or legal proceedings against any member of our Group which was issued and/or accrued and/or arising from any act, non-performance,

omission, non-compliance, or otherwise of any member of our Group on or before the Listing Date including, without limitation, the non-compliances as set out in the paragraphs headed “Properties” and “Non-compliance” in the section headed “Business” in this prospectus.

#### ***14. Litigation***

Save as disclosed in the paragraph headed “Business — Compliance and legal proceedings” in this prospectus, no member of our Group is engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against our Company, that would have a material adverse effect on our results of operation or financial condition of our Company.

#### ***15. Preliminary expenses***

The preliminary expenses of our Company are estimated to be approximately HK\$39,000 and are payable by our Company.

#### ***16. Promoter***

- (a) Our Company does not have any promoter.
- (b) Within the two years preceding the date of this prospectus, no amount or benefit has been paid or given to, or intended to be paid or given to, any promoters of our Company in connection with the Global Offering or the related transactions in this prospectus.

#### ***17. Agency fees or commissions received***

Except as disclosed in the paragraph headed “Underwriting — Total commission and expenses” in this prospectus, no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of any member of our Group within the two years immediately preceding the date of this prospectus.

#### ***18. Sponsor***

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for the listing of, and permission to deal in, the Shares in issue and to be issued as mentioned in this prospectus and any Shares which may be issued upon the exercise of any option which may be granted under the Share Option Scheme, being 10% of the Shares in issue on the Listing Date (excluding any Shares which may be issued pursuant to the Over-allotment Option), on the Stock Exchange. All necessary arrangements have been made to enable the securities to be admitted into CCASS.

The Sole Sponsor is independent from our Company pursuant to 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 Listing is approximately HK\$5.7 million.

**19. Qualifications of experts**

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

Cinda International Capital Limited	Licensed corporation under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) of the regulated activities
Ernst & Young	Certified Public Accountants
Ernst & Young Tax Services Limited	Tax adviser
King & Wood Mallesons	PRC legal advisers
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
China Insights Consultancy Limited	Independent industry consultant
Jones Lang LaSalle Corporate Appraisal and Advisory Limited	Independent property valuer
Hogan Lovells	Legal advisers as to International Sanctions law and U.S. laws
Stibbe CVBA/SCRL	Legal advisers as to EU laws
Dixon Y. T. Co	Barrister-at-law in Hong Kong

**20. Consents of experts**

Each of the experts named in paragraph 19 of this Appendix has given and has not withdrawn their respective written consents to the issue of this prospectus with the inclusion of their report and/or letter and/or legal opinion (as the case may be) and the references to their names or summaries of reports and/or letters and/or opinions included herein in the form and context in which they respectively appear.

**21. Binding effect**

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

**22. Taxation of holders of Shares**

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty. 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. It is emphasised that none of our Company,

our Directors or the other parties involved in the Global Offering 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.

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

The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred.

Under present Cayman Islands law, transfers and other dispositions of Shares are exempt from Cayman Islands stamp duty unless we hold interest in land in the Cayman Islands.

### 23. *Miscellaneous*

- (a) Save as disclosed in this prospectus
  - (i) within two years preceding the date of this prospectus:
    - (aa) no share or loan capital of our Company or any of our 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;
    - (bb) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any share or loan capital of our Company or any of our subsidiaries; and
    - (cc) no commission has been paid or payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any shares in our Company or any of our subsidiaries;
  - (ii) no part of the shares or loan capital of our Company is listed, traded or dealt in on any other stock exchange. At present, our Company is not seeking or proposing to seek listing of, or permission to deal in, any part of the shares or loan capital on any other stock exchange;
  - (iii) our Company has no outstanding convertible debt securities; and
  - (iv) 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;
- (b) our Directors confirm that there has been no material adverse change in the financial or trading position or prospects of our Group since 31 August 2019 (being the date to which the latest audited combined financial statements of our Group were made up); and
- (c) our Directors confirm that there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this prospectus.

***24. Bilingual prospectus***

The English language and Chinese language versions of this prospectus are being published separately, in reliance upon the exemption provided under section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses for Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong). In case of any discrepancies between the English language version and the Chinese language version, the English language version shall prevail.