

<b>THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION</b>
---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Li Ning Company Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**Li Ning Company Limited**  
**( 李寧有限公司 )**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2331)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ENTERING INTO OF  
THE LICENSE AGREEMENT,  
THE MARKETING CONTRIBUTION AGREEMENT  
AND THE ASSET PURCHASE AGREEMENT**

## CONTENTS

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>APPENDIX — GENERAL INFORMATION</b> .....	10

## DEFINITIONS

*In this circular, unless the context states otherwise, the following expressions have the following meanings:*

“Asset Purchase Agreement”	the agreement dated 31 July 2008 entered into among Li Ning Sports, Lotto (Nanjing), Lotto (Shanghai) and Lotto (China)
“Assets”	the fixtures and fittings, including equipment and machinery, affixed to the Properties located at the relevant Vendor’s points of sale
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China which excludes, for the purpose of this circular only, Hong Kong, Macau and Taiwan
“Company”	Li Ning Company Limited, a company incorporated in the Cayman Islands whose shares are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Asset Purchase Agreement
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Inventory”	all finished products (being sport and leisure footwear, apparel and accessories) owned by the Vendors and stored in the relevant Vendor’s warehouse in Nanjing and the relevant Vendor’s points of sale
“Latest Practicable Date”	13 August 2008, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Leases”	all the leases, sub-leases, tenancy agreements, sub-tenancy agreements, licenses or other documents granted to the Vendors or pursuant to which the Vendors hold or occupy the Properties
“License”	the license granted by Lotto Sport to Li Ning Sports under the License Agreement
“License Agreement”	the license agreement dated 31 July 2008 entered into between Li Ning Sports and Lotto Sport

## DEFINITIONS

“Licensed Products”	the sports and leisure footwear, apparel and accessories as specified under the License Agreement, and such collections of products as may be agreed upon in writing by the parties thereto pursuant to the terms and conditions of the License Agreement
“Li Ning Sports”	李寧(中國)體育用品有限公司 (Li Ning (China) Sports Goods Co., Ltd.), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lotto (China)”	Lotto China Limited, a company incorporated in Hong Kong
“Lotto (Nanjing)”	樂途(南京)服飾有限公司 (Lotto (Nanjing) Garment Co. Ltd.), a wholly foreign owned enterprise established under the laws of the PRC
“Lotto (Shanghai)”	樂途(上海)商貿有限公司 (Lotto (Shanghai) Co. Ltd.), a company established under the laws of the PRC
“Lotto Sport”	Lotto Sport H.K. Limited, a company incorporated in Hong Kong which is ultimately beneficially owned by Lotto Sport Italia
“Lotto Sport Italia”	Lotto Sport Italia S.p.A., a corporation established under the laws of Italy
“Lotto Trademarks”	the trademark registration and applications for registration, trade names and logos concerning the word and/or device of “Lotto” as set out in the License Agreement, and any further registration, applications for registration of such word, logo and/or device as may be agreed upon in writing by the parties thereto pursuant to the terms and conditions of the License Agreement. The Lotto Trademarks do not include the trademarks and logos concerning “Leggenda”, “Lotto Leggenda” and “Lotto Works” and these are not licensed
“Macau”	the Macau Special Administrative Region of the PRC
“Marketing Contribution Agreement”	the marketing contribution agreement dated 31 July 2008 entered into between Li Ning Sports and Lotto Sport
“Properties”	the 18 sales counters in the department stores located in Beijing and Shanghai, the PRC and occupied by the Vendors as set out in the Asset Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC

## DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendors”	collectively, Lotto (Nanjing) and Lotto (Shanghai), and each a “Vendor”
“%”	per cent.

**LETTER FROM THE BOARD**



**Li Ning Company Limited**  
**( 李寧有限公司 )**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 2331)**

*Executive Directors:*

Mr. Li Ning  
Mr. Zhang Zhi Yong  
Mr. Tan Wee Seng

*Registered office:*

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Non-executive Directors:*

Mr. Lim Meng Ann  
Mr. Stuart Schonberger  
Mr. Chu Wah Hui  
Mr. James Chun-Hsien Wei

*Principal place of business in Hong Kong:*

Suites 2804–5, Shell Tower  
Times Square  
Causeway Bay  
Hong Kong

*Independent non-executive Directors:*

Mr. Koo Fook Sun, Louis  
Ms. Wang Ya Fei, Jane  
Mr. Chan Chung Bun, Bunny

19 August 2008

**DISCLOSEABLE TRANSACTION  
IN RELATION TO THE ENTERING INTO OF  
THE LICENSE AGREEMENT,  
THE MARKETING CONTRIBUTION AGREEMENT  
AND THE ASSET PURCHASE AGREEMENT**

*To the Shareholders*

Dear Sir or Madam,

**INTRODUCTION**

Reference is made to the announcement of the Company dated 31 July 2008 in which the Board announced that on 31 July 2008, Li Ning Sports entered into the following agreements:

- (a) the License Agreement with Lotto Sport;
- (b) the Marketing Contribution Agreement with Lotto Sport; and

## LETTER FROM THE BOARD

(c) the Asset Purchase Agreement with Lotto (Nanjing), Lotto (Shanghai) and Lotto (China).

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions under the License Agreement, the Marketing Contribution Agreement and the Asset Purchase Agreement together constitute a discloseable transaction pursuant to Chapter 14 of the Listing Rules. The purpose of this circular is to provide Shareholders with information in relation to such agreements in compliance with the Listing Rules.

### LICENSE AGREEMENT

#### Grant of license

On 31 July 2008, Lotto Sport as the licensor and Li Ning Sports as the licensee entered into the License Agreement, pursuant to which Lotto Sport agreed to grant Li Ning Sports an exclusive license to use the Lotto Trademarks in China in connection with the development, manufacture, marketing, advertising, promotion, distribution and sale of the Licensed Products in accordance with the License Agreement. The License will commence on 31 July 2008 and will expire on 31 December 2028, if not terminated earlier by either party pursuant to its terms.

The royalties payable by Li Ning Sports for each year commencing on 1 January 2009 shall be calculated according to percentages of the actual sales of the Licensed Products unless agreed otherwise by the parties in accordance with the terms of the License Agreement and are subject to a minimum amount for each year under the License Agreement. If the License Agreement is not terminated earlier by either party pursuant to its terms, the aggregate of the estimated minimum amounts of royalties payable by Li Ning Sports over the 20-year term commencing on 1 January 2009 is approximately RMB933,900,000 (approximately HK\$1,064,646,000). Li Ning Sports shall pay the minimum amounts of royalties for each year in four equal installments by way of cash on the last day of every quarter. Depending on the actual sales of the Licensed Products, any annual balance of the royalties payable shall be paid by Li Ning Sports within 30 days of 31 December of each year.

The method of calculating the royalties payable under the License Agreement was determined after arm's length negotiations between the parties to the agreement taking into account the brand reputation of "Lotto" and the sales targets as determined by the parties to the agreement and business plans as proposed by Li Ning Sports in relation to the Licensed Products.

Li Ning Sports shall pay Lotto Sport RMB15,000,000 (approximately HK\$17,100,000) as a one-off signing fee to be settled by way of cash within 60 days from the date of execution of the License Agreement, the amount of which was determined after arm's length negotiations between the parties to the agreement.

In accordance with the Company's accounting policy which follows the International Financial Reporting Standards, the License will be recorded by the Company as intangible asset at approximately RMB393,800,000 (approximately HK\$448,932,000), being the sum of the capitalised present values of the estimated minimum amounts of royalties payable by Li Ning Sports over the term of the License Agreement as at 1 January 2009 and the amount of the signing fee. The License is not revenue generating by itself as Li Ning Sports is not allowed to sub-license any right granted by Lotto Sport under the License Agreement without the prior written approval of Lotto Sport and resources will have

## LETTER FROM THE BOARD

to be deployed by Li Ning Sports to develop, manufacture, market, advertise, promote, distribute and sell the Licensed Products. The net profits attributable to the License for the past two financial years cannot be ascertained.

### **Material obligations**

Li Ning Sports undertakes, among other things, to open and maintain a certain number of stores and counters, to pay minimum amounts of royalties, to achieve minimum sales targets and to deliver specific reports to Lotto Sport in accordance with the License Agreement.

### **MARKETING CONTRIBUTION AGREEMENT**

On 31 July 2008, Li Ning Sports entered into the Marketing Contribution Agreement with Lotto Sport in conjunction with the License Agreement. In consideration of Li Ning Sports' agreement to enter into the License Agreement and to perform the marketing and public relations activities thereunder, Lotto Sport agreed to pay Li Ning Sports a total sum of RMB15,000,000 (approximately HK\$17,100,000) by way of cash in installments over three years from year 2009 to year 2011 as contribution to the marketing and public relations activities concerning the Lotto Trademarks and the Licensed Products. Such fixed sum was determined after arm's length negotiations between the parties to the agreement taking into account the business and marketing plans in relation to the Licensed Products, and will be credited to the Company's consolidated income statements in each of the three years upon receipt of the monies from Lotto Sport.

The Marketing Contribution Agreement shall commence on 31 July 2008 and continue until the said sum is fully paid by Lotto Sport to Li Ning Sports.

### **ASSET PURCHASE AGREEMENT**

#### **Assets, Inventory and goodwill of the Properties**

On 31 July 2008, Lotto (Nanjing) and Lotto (Shanghai) as the Vendors, Li Ning Sports as the purchaser and Lotto (China) as the guarantor entered into the Asset Purchase Agreement. The Asset Purchase Agreement was signed in conjunction with the License Agreement. Pursuant to such agreement, the Vendors agreed to sell to Li Ning Sports the Assets, the Inventory and the goodwill of the Properties at a maximum total consideration of RMB25,000,000 (approximately HK\$28,500,000) which shall be satisfied by Li Ning Sports by way of cash in installments on and shortly after Completion. The maximum total consideration is the aggregate amount of (a) a fixed sum of RMB5,000,000 (approximately HK\$5,700,000) which is the value of the Assets and the goodwill of the Properties determined by the parties to the agreement at the date of execution of the agreement; and (b) an amount which is equal to the value of the Inventory determined jointly by the parties in accordance with the terms of the Asset Purchase Agreement after inspection and stock taking of the Inventory and capped at RMB20,000,000 (approximately HK\$22,800,000). If the value of the Inventory exceeds RMB20,000,000, the consideration payable for the Inventory will be equal to RMB20,000,000. The cut-off date for determining the amount of the Inventory to be acquired by Li Ning Sports is on or about 31 August 2008 which is immediately after the completion of the inspection and stock taking of the Inventory. The maximum total consideration is determined after arm's length negotiations between the parties to the agreement taking into account the market environment, the goodwill of the Properties and the value of the Assets and the Inventory determined jointly by the parties to the agreement.



## LETTER FROM THE BOARD

The goodwill of the Properties represents mainly the possible benefits which could be generated from the location of the Properties. The Properties are sales counters in department stores located in Beijing and Shanghai, the PRC, which are ready to be used by Li Ning Sports as points of sales of the Licensed Products.

The Properties are owned by third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company. The Vendors hold or occupy the Properties under the Leases and use the Properties as points of sale for distributing, marketing or selling sporting products bearing the trademark “Lotto”. On or before Completion, the Vendors shall assign or shall use reasonable endeavours to procure the assignment or novation of the Leases.

There is no specific provision in the Asset Purchase Agreement to prohibit termination of the Leases. In determining the consideration payable for the goodwill of the Properties, Li Ning Sports has taken into account the fact that the Leases can be terminated before the expiry of their terms. The Directors take the view that the chance of all the Leases being terminated before the expiry of their terms is remote. In case any of the Leases is terminated in accordance with its terms and conditions, Li Ning Sports can negotiate with the relevant landlord for a new agreement.

In the Company’s consolidated financial statements, the Inventory will be recorded at cost of acquisition while the Assets and the goodwill of the Properties will be recorded as non-current asset at cost of acquisition.

Since each of the Assets, the Inventory and the goodwill of the Properties are not revenue generating by itself, the net profits attributable to them for the past two financial years cannot be ascertained.

### **Guarantee by Lotto (China)**

In consideration of Li Ning Sports entering into the Asset Purchase Agreement, Lotto (China) guarantees to Li Ning Sports the due and punctual performance by each Vendor of all its obligations, warranties and indemnities given under the Asset Purchase Agreement.

### **INFORMATION OF THE COMPANY, LOTTO SPORT, LOTTO (CHINA), LOTTO (NANJING) AND LOTTO (SHANGHAI)**

#### **Company**

The Company is one of the leading sports brand enterprises in the PRC. It has its own branding, research and development, design, manufacturing, distribution and retail capabilities. The Group’s products include footwear, apparel and accessories for sports and leisure use which are primarily sold under its own LI-NING brand and Z-DO brand. The Group also manufactures, markets, distributes and sells outdoor sports products which bear the AIGLE trademarks in China.

## LETTER FROM THE BOARD

### **Lotto Sport, Lotto (China), Lotto (Nanjing) and Lotto (Shanghai)**

Lotto Sport is principally engaged in research and development, sourcing and quality control activities in support of Lotto Sport Italia and Lotto Sport Italia's licensees worldwide. It is the owner of the Lotto Trademarks in China, Hong Kong and Macau and is ultimately beneficially owned by Lotto Sport Italia. It holds the entire issued share capital in Lotto (China).

Lotto (China) is principally engaged in the sales and marketing of products bearing the trademarks "Lotto" in Hong Kong and Macau. It holds the entire equity interest in each of Lotto (Nanjing) and Lotto (Shanghai).

Lotto (Nanjing) is principally engaged in the design, research and development, sourcing, distribution and marketing of products bearing the trademarks "Lotto" in China.

Lotto (Shanghai) is principally engaged in the retailing of products bearing the trademarks "Lotto" in China.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Lotto Sport, Lotto (China), Lotto (Nanjing) and Lotto (Shanghai) and their ultimate beneficial owner are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company.

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

The trademark "Lotto" is a well known Italian sports brand with famous Italian design and world class sports marketing resources focused on soccer and tennis. In line with the Group's multi-brand strategy, the Directors consider that the License Agreement will strengthen the Group's product offering and market position in the fast growing sports fashion sector in China. This long term license agreement strengthens the Group's multi-brand strategy and helps solidify the Group's leadership position in China's sporting goods sector. The Directors also believe that the License Agreement will benefit the Group by lowering its operating costs and strengthening its bargaining power in the distribution channels of sporting goods.

The Marketing Contribution Agreement and the Asset Purchase Agreement are ancillary agreements to and were signed in conjunction with the License Agreement. The reasons for and the benefits of entering into these agreements as a whole are set out above.

The License Agreement, the Marketing Contribution Agreement and the Asset Purchase Agreement were negotiated and entered into in accordance with customary business practice of sports brand licensing industry. The Directors are of the view that the License Agreement, the Marketing Contribution Agreement and the Asset Purchase Agreement and the transactions contemplated therein are on normal commercial terms and such terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

## LETTER FROM THE BOARD

### FINANCIAL EFFECT OF THE TRANSACTIONS

It is expected that the transactions under the License Agreement, the Marketing Contribution Agreement and the Asset Purchase Agreement will have a positive impact on the earnings of the Group in the long run.

The License will increase the Group's intangible assets as license rights and the Group's non-current liabilities as license fees payable. The Asset Purchase Agreement and the Marketing Contribution Agreement are not expected to have any material impact on the assets and liabilities of the Group.

### GENERAL

As the applicable percentage ratios exceed 5% but are less than 25%, the transactions under the License Agreement, the Marketing Contribution Agreement and the Asset Purchase Agreement together constitute a discloseable transaction pursuant to Chapter 14 of the Listing Rules and are subject to the announcement and circular requirements under Chapter 14 of the Listing Rules.

Your attention is drawn to the general information regarding the Company which is required to be included in this circular under the Listing Rules as set out in the appendix to this circular.

By order of the Board  
**Li Ning Company Limited**  
**Li Ning**  
*Chairman*

## 1. RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purposes of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts, the omission of which would make any statement herein misleading.

## 2. DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES

As at the Latest Practicable Date, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which were required 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 they were taken or deemed to have under such provisions of the SFO); or were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies of the Listing Rules, are as follows:

Name of Director	Number of Shares/ underlying Shares held	Note	Capacity	% of issued share capital*
Li Ning	332,686,250 (Long position)	1	Interests of controlled corporations	31.994
	7,504,400 (Short position)	1(c)	Interests of controlled corporation	0.722
Zhang Zhi Yong	9,902,500 (Long position)	2	Personal, interests of controlled corporation	0.952
Tan Wee Seng	678,400 (Long position)	3	Personal	0.065
Lim Meng Ann	153,700 (Long position)	4	Personal	0.015
Stuart Schonberger	423,700 (Long position)	5	Personal	0.041
Chu Wah Hui	99,700 (Long position)	6	Personal, family	0.010
James Chun-Hsien Wei	69,700 (Long position)	7	Personal	0.007
Koo Fook Sun, Louis	341,700 (Long position)	8	Personal	0.033
Wang Ya Fei, Jane	341,700 (Long position)	9	Personal	0.033
Chan Chung Bun, Bunny	177,700 (Long position)	10	Personal	0.017

\* The percentage has been calculated based on 1,039,839,166 Shares in issue as at the Latest Practicable Date.

### Notes:

1. Mr. Li Ning is deemed to be interested in an aggregate of 332,686,250 Shares held by Victory Mind Assets Limited ("Victory Mind"), Dragon City Management Limited ("Dragon City") and Alpha Talent Management Limited ("Alpha Talent"), respectively, as follows:
  - (a) 173,374,000 Shares are held by Victory Mind in which 57% is owned by Ace Leader Holdings Limited ("Ace Leader") and 38% is owned by Jumbo Top Group Limited ("Jumbo Top"). All shares of Ace Leader are held by Equity Trust Company (Cayman) Ltd. in its capacity as trustee of the Jun Tai Trust, the beneficiaries of which include the respective family members of Mr. Li Ning. Mr. Li Ning is the settlor of the Jun Tai Trust and therefore is deemed to be interested in the 173,374,000 Shares held by Victory Mind. Mr. Li Ning is also a director of each of Victory Mind and Ace Leader and a beneficiary of the Jun Tai Trust;

- (b) 150,000,000 Shares are held by Dragon City in its capacity as trustee of the Three-River Unit Trust, which is a unit trust, the units of which are owned as to 60% by Cititrust (Cayman) Limited as trustee of the Palm Trust and as to 40% by Cititrust (Cayman) Limited as trustee of the Gingko Trust. Both of the Palm Trust and the Gingko Trust are irrevocable discretionary trusts, the beneficiaries of which include the respective family members of Mr. Li Ning and his brother, Mr. Li Chun. Mr. Li Ning is the settlor of the Palm Trust and therefore is deemed to be interested in the 150,000,000 Shares held by Dragon City. Mr. Li Ning is a director of Dragon City; and
- (c) 9,312,250 Shares are held by Alpha Talent, which is established and solely owned by Mr. Li Ning for the purpose of holding the relevant Shares under the Share Purchase Scheme of Alpha Talent. Mr. Li Ning is deemed to be interested in the 9,312,250 Shares held by Alpha Talent. Mr. Li Ning is a director of Alpha Talent.

Mr. Li Ning is deemed to have a short position in 7,504,400 Shares, among the total of 9,312,250 Shares held by Alpha Talent. When the Share Purchase Scheme was first set up in June 2004, 35,250,000 Shares were held by Alpha Talent. As at the Latest Practicable Date, Alpha Talent had granted options to purchase 35,117,900 Shares pursuant to the Share Purchase Scheme, among which options to purchase for 1,675,750 Shares have been cancelled or lapsed due to resignation of employees and options to purchase 25,937,750 Shares have been exercised. The total number of outstanding options as at the Latest Practicable Date is 7,504,400 Shares.

- 2. The Director is interested in 3,673,566 Shares, among which 423,566 Shares are held as personal interest and 3,250,000 Shares are held by Smart Step Management Limited (“Smart Step”) which is 100% owned by the Director. The Director is deemed to be interested in the 3,250,000 Shares and is a director of Smart Step.

The Director is taken to be interested as a grantee of options to (i) purchase 2,924,000 Shares at an exercise price of HK\$0.43 per Share under the Share Purchase Scheme of Alpha Talent; (ii) subscribe for 1,160,000 Shares at an exercise price of HK\$1.8275 per Share under the Company’s Pre-IPO Share Option Scheme; and (iii) subscribe for 730,000 Shares at an exercise price of HK\$3.685 per Share, 208,000 Shares at an exercise price of HK\$8.83 per Share and 121,600 Shares at an exercise price of HK\$17.22 per Share under the Company’s Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 1,085,334 restricted shares granted under the Company’s Restricted Share Award Scheme.

- 3. The Director is interested in 396,066 Shares and is taken to be interested as a grantee of options to subscribe for 114,800 Shares at an exercise price of HK\$8.83 per Share and 96,000 Shares at an exercise price of HK\$17.22 per Share under the Company’s Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 71,534 restricted shares granted under the Company’s Restricted Share Award Scheme.
- 4. The Director is interested in 6,000 Shares and is taken to be interested as a grantee of options to subscribe for 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company’s Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 96,300 restricted shares granted under the Restricted Share Award Scheme.
- 5. The Director is interested in 6,000 Shares and is taken to be interested as a grantee of options to subscribe for 246,000 Shares at an exercise price of HK\$3.685 per Share, 90,000 Shares at an exercise price of HK\$8.83 per Share and 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company’s Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 30,300 restricted shares granted under the Company’s Restricted Share Award Scheme.
- 6. The Director is taken to be interested in 30,000 Shares which are held by his family member and is taken to be interested as a grantee of options to subscribe for 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company’s Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 18,300 restricted shares granted under the Company’s Restricted Share Award Scheme.
- 7. The Director is taken to be interested as a grantee of options to subscribe for 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company’s Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 18,300 restricted shares granted under the Company’s Restricted Share Award Scheme.

8. The Director is interested in 118,000 Shares and is taken to be interested as a grantee of options to subscribe for 82,000 Shares at an exercise price of HK\$3.685 per Share, 60,000 Shares at an exercise price of HK\$8.83 per Share and 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company's Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 30,300 restricted shares granted under the Company's Restricted Share Award Scheme.
9. The Director is interested in 6,000 Shares and is taken to be interested as a grantee of options to subscribe for 164,000 Shares at an exercise price of HK\$3.685 per Share, 90,000 Shares at an exercise price of HK\$8.83 per Share and 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company's Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 30,300 restricted shares granted under the Company's Restricted Share Award Scheme.
10. The Director is interested in 6,000 Shares and is taken to be interested as a grantee of options to subscribe for 90,000 Shares at an exercise price of HK\$8.83 per Share and 51,400 Shares at an exercise price of HK\$17.22 per Share under the Company's Post-IPO Share Option Scheme. The Director is also taken to be interested as a grantee of 30,300 restricted shares granted under the Company's Restricted Share Award Scheme.

### **3. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As at the Latest Practicable Date, none of the Directors or any of his/her associates (as such term is defined in the Listing Rules) had an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Company required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts which are not expiring or terminable by the employer within a year without payment of any compensation (other than statutory compensation).

### **5. LITIGATION**

As at the Latest Practicable Date, as far as the Directors are aware, no member of the Group was engaged in any litigation or claims of material importance which will have a material adverse impact on the Group and, as far as the Directors are aware, no litigation, arbitration or claim of material importance is pending or threatened against any member of the Group which will have a material adverse impact on the Group.

### **6. GENERAL**

- (a) The Secretary of the Company is Mr. Tan Wee Seng, who is also the Qualified Accountant of the Company. Mr. Tan is a fellow member of the Chartered Institute of Management Accountants in the United Kingdom.
- (b) The Company's Hong Kong branch share registrar and transfer office is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (c) The registered office address of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

- (d) In this circular, the exchange rate of RMB1.00 to HK\$1.14 has been used for conversion into the relevant currency for indication only.
- (e) In the event that the Chinese names of the PRC entities mentioned in this circular are inconsistent with their respective English translations, the Chinese version shall prevail.