THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Circular or as to the action to be taken, you should consult your 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 Celebrate International Holdings Limited (the "**Company**"), you should at once hand this Circular and the accompanying forms of proxy 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.

CELEBRATE INTERNATIONAL HOLDINGS LIMITED
譽滿國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8212)

(I) VERY SUBSTANTIAL ACQUISITION; (II) PROPOSED SHARE CONSOLIDATION; (III) PROPOSED OPEN OFFER ON THE BASIS OF THIRTY OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK$0.105 PER OFFER SHARE; (IV) RE-ELECTION OF DIRECTOR; AND (V) NOTICE OF EXTRAORDINARY GENERAL MEETING

Underwriter to the Open Offer

Freeman Securities Limited

Independent Financial Adviser to the Independent Board Committee and Independent Shareholders

泛亞金融有限公司
Pan Asia Corporate Finance Limited

A letter from the Board is set out from pages 10 to 51 of this Circular. A letter from the Independent Board Committee is set out on page 52 of this Circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders, is set out from pages 53 to 80 of this Circular.

A notice convening the extraordinary general meeting of the Company (the "**EGM**") to be held at 11:00 a.m. on Thursday, 11 June 2015 at The Boardroom (Basement 2), The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong is set out from pages 190 to 193 of this Circular. A form of proxy for use at the EGM is enclosed with this Circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time scheduled for the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

Shareholders and potential investors of the Company should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in this Circular). Accordingly, the Open Offer may or may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares and Consolidated Shares up to the date when the conditions of the Open Offer are fulfilled will bear the risk that the Open Offer cannot become unconditional and may not proceed. Shareholders and the public are reminded to exercise caution when dealings in the securities of the Company.

This Circular will remain on the "Latest Company Announcements" page of the GEM website at http://www.hkgem.com for a minimum period of 7 days from the date of its posting and on the website of the Company at http://www.ciholdings.com.hk.

26 May 2015

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

In this Circular, the following expressions shall have the following meanings unless the context indicates otherwise:

"Acquisition"	acquisition of the Sale Share(s) and the Sale Loan pursuant to the Conditional Agreements for Sale and Purchase
"Announcement"	the announcement of the Company dated 18 March 2015 in relation to, inter alia, the Acquisition, Share Consolidation and the Open Offer
"Application Form(s)"	the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
"associate(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"BVI"	the British Virgin Islands
"Business Day"	a day (other than a Saturday, Sunday and public holiday or days on which a typhoon signal 8 or above or black rainstorm signal is hoisted in Hong Kong at 10:00 am) on which banks in Hong Kong are generally open for business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Circular"	this circular to be despatched by the Company on or before 26 May 2015 to provide, among other things, further details regarding the Acquisition, the Share Consolidation and the Open Offer
"Companies Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong
"Company"	Celebrate International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM
"Completion"	the completion of the Conditional Agreements for Sale and Purchase
"Conditional Agreements for Sale and Purchase"	the Sale and Purchase Agreement, the Supplemental Sale and Purchase Agreement, the Second Supplemental Sale and Purchase Agreement and the Third Supplemental Sale and Purchase Agreement
"connected person(s)	has the meaning ascribed thereto under the GEM Listing Rules

"Consideration"	the consideration in the aggregate sum of up to HK$160,650,000 to be paid by the Purchaser to the Vendor for the Acquisition
"Consolidated Share(s)"	share(s) of par value of HK$0.02 each in the issued share capital of the Company upon completion of the Share Consolidation
"Controlling Shareholder(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Director(s)"	director(s) of the Company
"EAF(s)"	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Offer Shares
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the Acquisition, Share Consolidation, Open Offer and the transactions contemplated thereunder and one re-election of Director
"Enlarged Group"	the Group and the Target Group upon Completion
"Existing Share Certificate(s)"	certificate(s) for the Shares in orange colour
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board, comprising Ms. Chan Wan Yee, Mr. Hau Chi Kit and Mr. Sit Bun, all being independent non-executive Directors, established to advise the Independent Shareholders in respect of the Open Offer and the transactions contemplated thereunder
"Independent Financial Adviser"	Pan Asia Corporate Finance Limited, being a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Open Offer

"Independent Shareholders"	any Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
"Independent Third Party(ies)"	person(s) or company(ies) who/which is/are not connected with the Company and its connected persons (as defined under the GEM Listing Rules)
"Land Property"	the land properties legally and beneficially owned by SGDL
"Last Trading Day"	29 January 2015, being the date of the Underwriting Agreement, and the last trading day immediately before the date of the Underwriting Agreement
"Latest Acceptance Date & Time"	4:00 p.m. on 9 July 2015 (or such other date as the Underwriter and the Company may agree in writing) as the latest time and date for acceptance of, and payment for, the Offer Shares and application and payment for the excess Offer Shares
"Latest Time for Termination"	4:00 p.m. (Hong Kong time) on the fourth Business Day following the Latest Acceptance Date & Time, or such later time or date as may be agreed between the Underwriter and the Company in writing, being the latest time for the Underwriter to terminate the Underwriting Agreement
"Long Stop Date"	6 calendar months from 29 January 2015, i.e. 28 July 2015 or such later date to be agreed between the Purchaser and the Vendor in writing
"MOU"	the memorandum of understanding dated 2 December 2014 entered into between the Vendor and the Purchaser relating to the Sale Share(s)
"Latest Practicable Date"	21 May 2015, being the latest practicable date prior to the printing of this Circular for the purpose of ascertaining certain information referred to in this Circular
"New Share Certificate(s)"	certificate(s) for the Consolidated Shares in pink colour
"Non-Qualifying Shareholder(s)"	the Overseas Shareholder(s) to whom the Directors, based on legal opinion(s) provided by the legal adviser(s) to the Company, consider it necessary or expedient not to offer the Open Offer on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

"Offer Share(s)"	Consolidated Share(s) to be issued and allotted under the Open Offer, being 2,147,358,360 Consolidated Shares
"Open Offer"	the proposed issue of thirty (30) Offer Shares for every one (1) Consolidated Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
"Overseas Shareholder(s)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at the close of the business on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
"Posting Date"	24 June 2015 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders
"PRC"	the People's Republic of China
"Promissory Note"	the 2 years 6% promissory note with principal amount of up to HK$140,650,000 that may be issued by the Company in favour of the Vendor at Completion to satisfy the balance of the Consideration
"Prospectus"	the prospectus to be despatched to the Shareholders on the Posting Date containing details of the Open Offer in such form as may be agreed between the Company and the Underwriter
"Prospectus Documents"	the Prospectus, the Application Form(s) and the EAF(s)
"Purchaser"	Colour Cosmo Holdings Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company
"Qualifying Shareholder(s)"	Shareholder(s) whose name(s) is/are registered on the register of the members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
"RAL"	Roma Appraisals Limited, the valuer who prepared and issued the Valuation Report as shown in the Appendix V to this Circular
"Record Date"	23 June 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer are expected to be determined

"Registrar"	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong
"Sale and Purchase Agreement"	the sale and purchase agreement dated 29 January 2015 (after trading hours) entered into between the Purchaser and the Vendor in relation to the Acquisition
"Sale Loan"	the sum as at the Completion being advanced by the Vendor to the Company by way of shareholder's loan
"Sale Shares"	fifty one (51) shares legally and beneficially owned by the Vendor, representing 51% of the entire issued share capital of the Target Company as at the date of Completion
"Second Supplemental Sale and Purchase Agreement"	the second supplemental sale and purchase agreement dated 16 March 2015 (after trading hours) as amended and entered into between the Purchaser and the Vendor in relation to the Sale and Purchase Agreement and the Supplemental Sale and Purchase Agreement
"Settlement Date"	being the Business Day immediately following the Latest Time for Termination
"SFO"	Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time
"Share Consolidation"	the proposed consolidation of every twenty (20) Shares of par value of HK$0.001 each into one (1) Consolidated Share of par value of HK$0.02 each
"Share(s)"	ordinary share(s) in the issued and unissued capital of the Company, the par value of which being of HK$0.001 each prior to the Share Consolidation
"Shareholder(s)"	the holder(s) of Shares or Consolidated Shares, as the case may be
"Share Options Scheme"	the share option scheme adopted by the Company on 20 November 2012 at the annual general meeting of the Company
"SGDL"	Super Group Development Limited, a company incorporated in Hong Kong with limited liability and is the wholly owned subsidiary of the Target Company
"sq.ft."	square feet
"sq.m."	square meter

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.105 per Offer Share
"substantial shareholder(s)"	has the meaning ascribed thereto under the GEM Listing Rules
"Supplemental Sale and Purchase Agreement"	the supplemental sale and purchase agreement dated 18 February 2015 (after trading hours) as amended and entered into between the Purchaser and the Vendor in relation to the Sale and Purchase Agreement
"Supplemental Underwriting Agreement"	the supplemental agreement dated 8 May 2015 (after trading hours) entered into between the Company and the Underwriter in relation to the Underwriting Agreement
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong
"Target Company"	Goldee Holdings Limited, a company incorporated in BVI with limited liability, which is wholly owned by the Vendor
"Target Group"	the Target Company and SGDL
"Third Supplemental Sale and Purchase Agreement"	the third supplemental sale and purchase agreement dated 4 May 2015 (after trading hours) as amended and entered into between the Purchaser and the Vendor in relation to the Sale and Purchase Agreement, the Supplemental Sale and Purchase Agreement and the Second Supplemental Sale and Purchase Agreement
"Underwriter"	Freeman Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) regulated activities under the SFO
"Underwriting Agreement"	the underwriting agreement dated 17 March 2015 (after trading hours) entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
"Underwritten Shares"	a maximum of 2,147,358,360 Offer Shares being fully underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
"Valuation"	the valuation of the Land Property
"Valuation Report"	the valuation report to be prepared and issued by a valuer, in respect of the Valuation

"Vendor"	Champion Prospect Limited, a company incorporated in BVI with limited liability
"%"	per cent

In the event of any inconsistency, the English text of this Circular shall prevail over the Chinese text.

Set out below is the proposed timetable for the implementation of the Share Consolidation and the Open Offer:

Event	**Time and date**
Latest time for return of proxy form of the EGM (not less than 48 hours prior to time of the EGM)	11:00 a.m. on Tuesday, 9 June 2015
EGM	11:00 a.m. on Thursday, 11 June 2015
Announcement of results of the EGM	Thursday, 11 June 2015
Effective date of the Share Consolidation	Friday, 12 June 2015
Commencement of dealings in the Consolidated Shares	9:00 a.m. on Friday, 12 June 2015
Original counter for trading in Shares (in board lots of 20,000 Shares) closes	9:00 a.m. on Friday, 12 June 2015
Temporary counter for trading in Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of Existing Share Certificates) opens	9:00 a.m. on Friday, 12 June 2015
First day of free exchange of Existing Share Certificates for New Share Certificates for Consolidated Shares commences	Friday, 12 June 2015
Last day of dealings in the Consolidated Shares on a cum-entitlement basis	Friday, 12 June 2015
First day of dealings in Consolidated Shares on an ex-entitlement basis	Monday, 15 June 2015
Latest time for lodging transfer of Consolidated Shares in order to be qualified for the Open Offer	4:30 p.m. on Tuesday, 16 June 2015
Register of members closes (both dates inclusive)	Wednesday, 17 June 2015 to Tuesday, 23 June 2015
Record Date	Tuesday, 23 June 2015
Register of members re-opens	Wednesday, 24 June 2015
Prospectus Documents expected to be despatched	Wednesday, 24 June 2015
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	9:00 a.m. on Friday, 26 June 2015

Original counter for trading in Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of New Share Certificates) re-opens	9:00 a.m. on Friday, 26 June 2015
Parallel trading in the Consolidated Shares (in the form of New and Existing Share Certificates) begins	9:00 a.m. on Friday, 26 June 2015
Latest Acceptance Date & Time	4:00 p.m. on Thursday, 9 July 2015
Latest time for Termination	4:00 p.m. on Wednesday, 15 July 2015
Announcement of results of acceptance and application for the excess Offer Shares	Thursday, 16 July 2015
Refund cheques in respect of wholly or partially unsuccessful application for excess Offer Shares expected to be posted on or before	Friday, 17 July 2015
Certificates for the Offer Shares expected to be despatched on or before	Friday, 17 July 2015
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares	4:00 p.m. on Friday, 17 July 2015
Temporary counter for trading in board lots of 1,000 Consolidated Shares (in the form of Existing Share Certificates) closes	4:00 p.m. on Friday, 17 July 2015
Parallel trading in Consolidated Shares (in the form of New and Existing Share Certificates) ends	4:00 p.m. on Friday, 17 July 2015
Expected first day of dealings in the Offer Shares	9:00 a.m. on Monday, 20 July 2015
Last day of free exchange of Existing Share Certificates for into New Share Certificates for Consolidated Shares	Wednesday, 22 July 2015

All times and dates in this Circular refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

CELEBRATE INTERNATIONAL HOLDINGS LIMITED
譽滿國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8212)

Executive Directors:
Ms. Leung Wai Kuen, Cerene
Mr. Leung Wai Tung

Independent non-executive Directors:
Ms. Chan Wan Yee
Mr. Hau Chi Kit
Mr. Sit Bun

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

Head office and principal place of business in Hong Kong:
Room 2609-10, 26/F.
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

26 May 2015

To the Shareholders

Dear Sir or Madam,

**(I) VERY SUBSTANTIAL ACQUISITION;
(II) PROPOSED SHARE CONSOLIDATION;
(III) PROPOSED OPEN OFFER ON THE BASIS OF
THIRTY OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF
HK$0.105 PER OFFER SHARE;
(IV) RE-ELECTION OF DIRECTOR; AND
(V) NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement.

The purpose of this Circular is to provide you with information in respect of, among other things, (i) the proposed Acquisition; (ii) the proposed Share Consolidation; (iii) the proposed Open Offer; (iv) the recommendation from the Independent Board Committee to the Independent Shareholders giving its recommendations in relation to the Open Offer; (v) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders containing its advice and recommendations on the Open Offer; (vi) the re-election of Mr. Hau as the independent non-executive Director; and (vii) the notice of the EGM.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted by up to a maximum of approximately 96.77%. The theoretical ex-entitlement price is approximately HK$0.1494 per Consolidated Share (assuming there is no new Shares/Consolidated Shares issued by the Company and there is no Shares/Consolidated Shares being repurchased by the Company from the Latest Practicable Date up to the Record Date) based on the closing price of HK$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation. Based on the closing price of HK$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation, the adjusted closing price is HK$1.48 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day. Therefore, the theoretical ex-entitlement price of approximately HK$0.1494 per Consolidated Share after completion of Open Offer represents a discount of approximately 89.9% to the adjusted closing price is HK$1.48 per Consolidated Share.

Other than the Open Offer, at the current moment, the Company does not expect to commence any future fund raising activities, but the Company would not rule out any possibilities in future fund raising exercises when the Company sees that the market conditions warrant their implementation. In order to capture any potential investment opportunities timely, the Company intends to refresh the general mandate to reflect the actual number of Shares to be allotted as a result of the Open Offer, which would authorize the Directors to issue and allot up to 20% of the aggregate nominal amount of the enlarged issued share capital subsequent to the completion of the Open Offer.

THE ACQUISITION

Reference is made to the announcements of the Company dated 2 December 2014, 30 January 2015, 11 February 2015, 18 March 2015 and 4 May 2015 in relation to the MOU and the Acquisition. The Board is pleased to announce that respectively on 29 January 2015, 18 February 2015, 16 March 2015 and 4 May 2015 (all after trading hours) the Purchaser has entered into the Sale and Purchase Agreement, the Supplemental Sale and Purchase Agreement, the Second Supplemental Sale and Purchase Agreement and the Third Supplemental Sale and Purchase Agreement with the Vendor whereby the Purchaser has conditionally agreed to acquire the Sale Shares in the Target Company, representing 51% of the total issued share capital in the Target Company and the Sale Loan at the Consideration of HK$160,650,000. The consideration of the Sale Shares and Sale Loan are HK$8,670,004 and HK$151,979,996 respectively. The principal terms of the Conditional Agreements for Sale and Purchase are summarised as follows:

Principal Terms of the Conditional Agreements for Sale and Purchase

Date:	29 January 2015, 18 February 2015, 16 March 2015 and 4 May 2015 (all after trading hours)
Parties	
Purchaser:	Colour Cosmos Holdings Limited, a wholly-owned subsidiary of the Company
Vendor:	Champion Prospect Limited

Information of the Vendor

The Vendor, i.e. Champion Prospect Limited, is an investment holding company incorporated in BVI. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendor and its ultimate beneficial owner are Independent Third Parties.

There was/is no current or prior written or oral relationship/business arrangements/transactions/agreements/understanding between each of the Vendor and its ultimate beneficial owners/related party and the Company and its connected person, other than those relating to the Acquisition.

The beneficial owner of the Vendor was acquainted to Mr. Leung Wai Tung, the executive Director of the Company, who then introduced the Land Property to the Board for consideration in November 2014. After careful consideration, the Board decided to proceed with the Acquisition and then the MOU was entered into between the Vendor and the Company on 2 December 2014 as announced by the Company on the same date.

Each of the Vendor and its ultimate beneficial owner has no intention to acquire Shares and participate into the Open Offer.

Assets to be acquired

Pursuant to the Conditional Agreements for Sale and Purchase, the Company agreed to purchase and the Vendor agreed to sell the Sale Shares, representing 51% of the total issued share capital of the Target Company and the Sale Loan. As at 28 February 2015, the total amount of the Sale Loan is approximately HK$298,000,000.

For further information on the Target Group, please refer to paragraph headed "Information on the Target Group".

Consideration and Payment Methods

The Consideration of HK$160,650,000 shall be settled by the Purchaser by three instalment payments in the following manner:–

(i) the Earnest Money in the sum of HK$10,000,000 paid on 11 December 2014 which shall be treated as a refundable deposit;

(ii) HK$10,000,000 paid on 30 January 2015 which shall be treated as further refundable deposit; and

(iii) the remaining balance of HK$140,650,000 to be satisfied by the Purchaser upon Completion by, at the Purchaser's sole discretion, payment in cash of amount up to HK$140,650,000 and any deficit after deducting the cash payment made by the Purchaser shall be satisfied by the issuance of the Promissory Note with the principal value equivalent to such deficit amount to the Vendor or his nominee. For avoidance of doubt, the allocation of the amount of cash payment and the principal value of the Promissory Note in payment of the remaining balance of the Consideration shall be at the Purchaser's sole discretion.

The remaining balance of the Consideration is intended to be settled by the proceeds from the Open Offer and if the Open Offer cannot proceed, it will be settled by the issue of the Promissory Note. If the Acquisition is completed prior to the completion of the Open Offer, the third instalment payment will be settled by the Promissory Note which will then be repaid in full by part of the net proceeds from the Open Offer when the Open Offer is completed.

Details of the Promissory Note will be described below.

The Deposits have been paid by the Purchaser according to the abovementioned payment methods by internal resources of the Group.

The Consideration and the terms of the Promissory Note were determined after arm's length negotiations between the Company and the Vendor, after taking into account the location and potential value of and return which can be generated from the Land Property. In assessing the potential value of the Land Property, the Company has (i) reviewed the historical sales transactions of the properties located in the nearby location of the Land Property; and (ii) verbally consulted the professional valuer in Hong Kong on the estimated market value of the Land Property including the preliminary valuation of HK$325 million as provided by the property valuer Roma Appraisals Limited ("**RAL**") for the valuation of the Land Property; and (iii) the valuation of the Land Property is HK$325,000,000 and it represents its market value in accordance with the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors. Since the Valuation of HK$325 million is not less than HK$310,000,000, one of the conditions precedent to the Conditional Agreements for Sale and Purchase that the Purchaser having obtained a valuation report at its own costs from a valuer of its own choice giving the value of the Land Property at not less than HK$310,000,000 has been fulfilled. 51% of the Valuation of HK$325 million is HK$165.75 million. The Consideration of HK$160,650,000 represents a discount of approximately 3.08% to the HK$165.75 million. Having considered the above, the Directors consider the Consideration to be fair and reasonable.

For details, please refer to the Valuation Report as shown in the Appendix V to the Circular.

Conditions precedent

Completion is conditional upon the following conditions being fulfilled and satisfied, at or prior to the Long Stop Date:

(a) the results of the legal and financial due diligence conducted by the Purchaser over the Target Company, the Target Group and the Land Property, including but not limited to the Vendor's titles to the Sale Shares and the Sale Loan, the affairs, business, assets, liabilities, operations, records, financial position, value of assets, accounts, results, legal and financial structure of the Target Company and the Target Group and SGDL's title to the Land Property, being completed to the reasonable satisfaction of the Purchaser at its sole discretion;

(b) the Purchaser having obtained a valuation report at its own costs from a valuer of its own choice giving the value of the Land Property at not less than HK$310,000,000;

(c) the passing by the requisite majority of Shareholders in general meeting of all resolutions required under the GEM Listing Rules (if any) to approve the performance by the Purchaser of the transactions contemplated under the Conditional Agreements for Sale and Purchase, including without limitation sale and purchase of the Sale Shares and the Sale Loan and the issuance of the Promissory Note to the Vendor or his nominee, if it is the case;

(d) the warranties given by the Vendor in the Conditional Agreements for Sale and Purchase shall remain to be true and correct in all material respects and there has not been any material breach of such warranties;

(e) all necessary waiver, consent and approvals required to be obtained on the part of the Company in relation to the Conditional Agreements for Sale and Purchase and the transaction contemplated thereby under the GEM Listing Rules (if any) having been obtained;

(f) all necessary waiver, consent and approval required to be obtained on the part of the Vendor, the Target Company and the Purchaser in respect of the Conditional Agreements for Sale and Purchase and the transaction contemplated thereby having been obtained; and

(g) the acquisition by the Purchaser of the Target Company does not, and will not be ruled or deemed by the Stock Exchange as to constitute a reverse takeover under the GEM Listing Rules.

In the event the conditions precedent shall not be fulfilled before 5 p.m. on the Long Stop Date or the parties hereto have not reached any agreement in writing to extend the Long Stop Date, then the Vendor shall within 5 Business Days after the Long Stop Date return the Deposits paid under the Conditional Agreements for Sale and Purchase to the Purchaser without any interest. Upon the Vendor fully refund the Deposits so paid to the Purchaser, the Conditional Agreements for Sale and Purchase shall be terminated and the parties shall have no further obligations under the Conditional Agreements for Sale and Purchase save for any rights on any antecedent breach thereof. None of the above conditions precedent is waivable.

In the event, if the Acquisition is being ruled or deemed by the Stock Exchange as to constitute a reverse takeover under the GEM Listing Rules, the Conditional Agreements for Sale and Purchase shall lapse and the Vendor shall refund the Deposits paid by the Purchaser to the Vendor under the Conditional Agreements for Sale and Purchase without interest within 14 Business Days and upon full refund by the Vendor to the Purchaser of the Deposits, the respective obligations of the Vendor and the Purchaser under the Conditional Agreements for Sale and Purchase shall be released.

Completion of the proposed Share Consolidation and Open Offer are not conditions precedent to the Acquisition. As at the Latest Practicable Date, save for the conditions (a) and (b) have been fulfilled, none of the other conditions precedent to the Conditional Agreements for Sale and Purchase has been fulfilled.

Details of the Supplemental Sale and Purchase Agreement, the Second Supplemental Sale and Purchase Agreement and the Third Supplemental Sale and Purchase Agreement

Pursuant to the Supplemental Sale and Purchase Agreement, the major amendments to the Sale and Purchase Agreement include the subject matter of the proposed sale and purchase of the share and shareholder's loan in the Target Company has been amended from 100% to 51% and therefore, the amount of consideration payable by the Purchaser to the Vendor was amended to HK$160,650,000. The reduction in the interest proposed to be acquired was made at the request of the Vendor and after arms-length negotiation between the Purchaser and the Vendor. Having reconsidered the potential growth in value of the Land Property, the Vendor was not too keen to sell the entire interest in the Land Property. After careful assessment of the risks involved in holding the Land Property and the management ownership of the Vendor in SGDL for enhancing management of the Land Property, the Purchaser agreed with the Vendor to reduce the proposed interest to be acquired from 100% to 51%.

Pursuant to the Second Supplemental Sale and Purchase Agreement, the major amendment to the Sale and Purchase Agreement was to remove the wording "or by a written shareholders certificate in lieu of holding a general meeting" from condition (c) and to replace one of the condition precedents in the Sale and Purchase Agreement with "the passing by the requisite majority of shareholders of the Company in general meeting of all resolutions required under the GEM Listing Rules (if any) to approve the performance by the Purchaser of the transactions contemplated under the Sale and Purchase Agreement, including without limitation sale and purchase of the Sale Shares and the Sale Loan and the issue of the Promissory Note to the Vendor or his nominee, if it is the case" in its entirety.

Pursuant to the Third Supplemental Sale and Purchase Agreement, the major amendment to the Sale and Purchase Agreement was to extend the Long Stop Date to be six (6) calendar months after the signing of the Sale and Purchase Agreement or such later date to be agreed among the Purchaser and the Vendor in writing.

Completion

Completion shall take place on the fifth Business Day after the date on which the abovementioned conditions shall have been satisfied and/or fulfilled.

Upon Completion, the Company will be beneficially interested in the 51% equity interests in the Target Company and the Target Group will become a non wholly-owned subsidiary of the Company.

As confirmed by the auditors of the Company, the Company will account for the Land Property as investment property at the fair value at the date of Completion. Subsequent to the initial recognition of the Land Property, the Company will apply the cost model in accordance with HKAS 40 "Investment Properties" and the Land Property will be amortized over the remaining term of the leasehold land. The change in fair value of the Land Property at the end of each financial year end will not be accounted for, however the fair value of the Land Property is necessary to be disclosed in the financial statements of the Company. Gain or losses arising from the disposal of Land Property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognized in profit or loss in the period of the disposal. For details, please refer to the unaudited pro forma financial information of the Enlarged Group as shown in the Appendix IV to this Circular.

The Purchaser shall be entitled to nominate up to two director(s) in the board of directors of each of the Target Company and SGDL and to nominate the company secretary in each of the Target Company and SGDL.

There will be no change in the Board composition of the Company as a result of the Acquisition and the Company has no intention to appoint any director or senior management of the Vendor/Target Group as director of the Company.

To the best of the Directors' knowledge and information, as at the Latest Practicable Date, the Company does not know whether the Vendor will continue to hold the remaining 49% interest of the Target Company upon and after Completion.

The terms of the Conditional Agreements for Sale and Purchase Agreement were determined after arm's length negotiations and on normal commercial terms. The Directors consider the terms and conditions of the Conditional Agreements for Sale and Purchase to be on normal commercial terms, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Promissory Note

The proposed principal terms of the Promissory Note that may be issued by the Company at Completion at the sole discretion of the Purchaser are as follows:

Principal amount:	up to HK$140,650,000
Interest:	6% per annum
Maturity:	The second anniversary of the date of issuance of the Promissory Note (the "**Due Date**")
Early redemption:	The Company may redeem all or part of the Promissory Note at any time seven Business Days prior to the Due Date at 100% of their face value together with all interest accrued on the principal amount of the Promissory Note

The Promissory Note (or any part thereof) shall not be assigned or transferred to a connected person of the Company or its associate(s) without the prior written consent of the Company and is subject to compliance of the conditions of the Promissory Note and further subject to:–

(a) the conditions, (if required) approvals, requirements and any other provisions of or under the Stock Exchange (and any other stock exchange on which the shares of the Company may be listed at the relevant time) or their rules and regulations and all applicable laws and regulations; and

(b) the approval of the independent shareholders of the Company in a general meeting if so required under the GEM Listing Rules if such assignment and/or transfer of the Promissory Note is made to a connected person of the Company.

Any assignment or transfer of the Promissory Note shall be in respect of the whole or part in integral multiple of HK$1,000,000 or, where the outstanding principal amount of the Promissory Note is less than HK$1,000,000, the entirety of the outstanding principal amount of the Promissory Note.

The maximum principal amount of the Promissory Note was determined based on the amount of the third instalment payment in relation to the Acquisition. The 6% per annum interest was determined with reference to the current market practice and after arm's length negotiations between the Company and the Vendor. The Board is of the view that the terms of the Promissory Note are fair and reasonable.

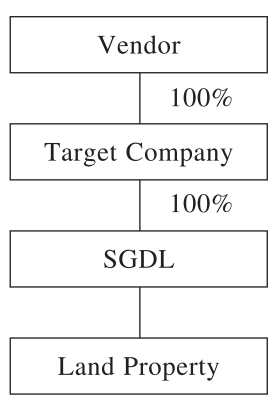
The Company has no intention to apply for listing of the Promissory Note.

Information on the Target Group

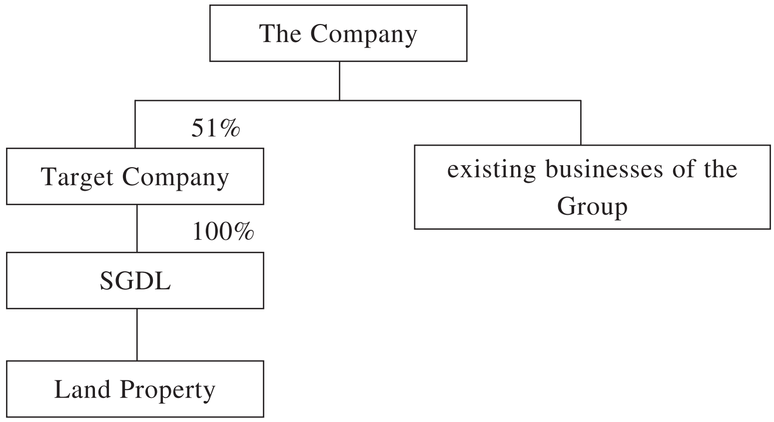
Set out below is the group structure, business and financial information of the Target Group based on the information provided by the Vendor.

(i) Group structure of the Target Group

The Target Company is a company incorporated in BVI and is a wholly-owned subsidiary of the Vendor. Set out below is the shareholding structure of the Target Group before the Acquisition:



Set out below is the shareholding structure of the Target Group upon Completion:–



(ii) Industry Overview

According to residential price index provided by the Ratings and Valuation Department (RVD), the overall residential property price in Hong Kong are still rising, but at a slower pace. House prices rose only 6% in 2014, and which rose 17.5% in 2013. The latest overall residential price index in January 2015 rose to 284.2, which hit a new high record, with 2% of monthly increase. Among various sizes of residential units, smaller size residential property with a salable area of 40 sq.m. or less has experienced the highest growth in prices of around 7% growth in 2014.

The high and continuous rising in housing price has been claimed due to the imbalance between housing demand and supply. Therefore in the 2015 Policy Address, the Hong Kong Government determined to avert this issue progressively by making more residential sites available for construction and speeding up the development of public housing. Those medium and long term policies suggested by the Government have no significant effect to the current residential market. The Company expects a continuous upward trend in the housing residential market in 2015.

(iii) Business of the Target Group

The Target Company is a company incorporated in BVI and is 100% owned by the Vendor as at the date of the Conditional Agreements for Sale and Purchase. The Target Company is an investment holding company and its subsidiary, i.e. SGDL, is the legal and beneficial owner of the Land Property situate at and known as Nos. 8 & 10 Lomond Road, Kowloon, Hong Kong. The acquisition of SGDL by the Target Company was completed on 14 January 2015. As confirmed by the Vendor as at the date of completion of acquisition of SGDL by the Target Company on 14 January 2015, Nos. 8 and 10 Lomond Road of the Land Property are both vacant sites and there was no construction work. As confirmed by the Vendor as at the date of completion of acquisition of SGDL by the Target Company on 14 January 2015, other than the Land Property, there was no other land properties owned by the Target Company or SGDL.

(iv) Financial information of the Target Group

Set out below is the audited consolidated turnover, loss before tax and after tax of the Target Group for the period from 26 September 2014 (date of incorporation of the Target Company) to 28 February 2015 and net liabilities as at 28 February 2015 as extracted from the Accountants' Report as shown Part B of Appendix III to this Circular.

	For the period from 26 September 2014 (date of incorporation) to 28 February 2015
	HK$'000
	(audited)
Turnover	–
Loss before tax	(25)
Loss and total comprehensive expenses for the period	(25)

	As at 28 February 2015
	HK$'000
	(audited)
Net liabilities	(24)

The audited turnover, loss before tax and after tax of SGDL for the two years ended 30 June 2013 and 2014 and for the eight months period ended 28 February 2015 and the audited net liabilities of SGDL as at 30 June 2013, 30 June 2014 and 28 February 2015 based on the financial statements of SGDL as extracted from the Accountants' Report as shown in Part C of the Appendix III to this Circular are also set out as below:

	For the eight months period ended 28 February 2015	**For the year ended 30 June 2014**	**For the year ended 30 June 2013**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(audited)
Turnover	–	–	82
Loss before tax	(1,502)	(3,139)	(4,708)
Loss and total comprehensive expenses for the period/year	(1,502)	(3,139)	(4,708)

	As at 28 February 2015 HK$'000 (audited)	As at 30 June 2014 HK$'000 (audited)	As at 30 June 2013 HK$'000 (audited)
Net liabilities	(29,721)	(28,219)	(25,080)

Based on the audited accounts of SGDL, the audited net liabilities of SGDL as at 30 June 2014 is approximately HK$28,219,000. The audited net liabilities of SGDL as of 28 February 2015 is approximately HK$29,721,000. The audited loss before and after tax of SGDL for the financial year ended 30 June 2014 are HK$3,139,000 and HK$3,139,000 respectively. The audited loss before and after tax of SGDL for the financial year ended 30 June 2013 are HK$4,708,000 and HK$4,708,000 respectively. The audited loss before and after tax of SGDL for the eight months period ended 28 February 2015 are HK$1,502,000 and HK$1,502,000 respectively. The main reason attributable to the significant net liabilities as at 30 June 2014 is the existence of the secured bank loan of HK$90,800,000 and the loans from shareholders and other party with an aggregate amount of HK$67,561,000 as at 30 June 2014. The secured bank loan was fully repaid and the loans from shareholders and other party were assigned to the Target Company prior to the acquisition of SGDL by the Target Company. The revenue of SGDL for the year ended 30 June 2013 is approximately HK$82,000 and mainly represented rental income in relation to investment properties. As disclosed in the audited accounts of SGDL for the two years ended 30 June 2013 and 2014, the major expenses for the two years ended 30 June 2013 and 2014 respectively were administration expenses and finance costs.

Based on the Accountants' Report of SGDL as shown in the Appendix III to this Circular, SGDL held the Land Property as "investment property" where it was leased out by SGDL for rental income in the financial year ended 30 June 2012. During the year ended 30 June 2013, SGDL determined to execute a redevelopment plan which involved a construction of a multi-storey residential property. The old investment property was then pulled down and ground construction work commenced thereafter. The Land Property was therefore reclassified as "property under development" and the net carrying amount of the investment property in 2012 was then transferred to property under development. SGDL continued to hold the Land Property as property under development in the year ended 30 June 2014 and in the eight months ended 28 February 2015. However, upon completion of the Acquisition, the Company intends to hold the Land Property for capital appreciation and therefore, the Land Property will be reclassified as investment property.

The Target Company was incorporated on 26 September 2014. Based on the unaudited consolidated accounts of the Target Company, the audited consolidated net liabilities of the Target Company as at 28 February 2015 is HK$24,000. The audited consolidated loss before and after tax of the Target Company for period ended 28 February 2015 since the date of its incorporation are approximately HK$25,000 and HK$25,000 respectively. No revenue has been recorded by the Target Company since incorporation. The net liabilities of approximately HK$29,721,000 of SGDL as at 28 February 2015 were reduced substantially on consolidation with the Target Company as the accumulated losses of SGDL were regarded as pre-acquisition losses which were eliminated on consolidation in conformity with the Hong Kong Financial Reporting Standards.

Reasons for and Benefits of the Acquisition

The Group is principally engaged in food and beverage trading and money lending. The types of products traded under the food and beverage business include table wines and liquor, seafood, quality meat, cooking sauces and seasoning.

For the six months ended 31 December 2014, the Group experienced a loss in the segment result of food and beverage trading. Under the aftermath of the "Occupy Central Movement", the Group is not optimistic about the future performance of its business of food and beverage trading as there are signs to indicate that a prolonged period of antagonizing sentiment against the mainland visitors emerges. While the Group generally considers that the mainland visitors are major sources of its revenue, it is likely that the slowdown for quality food will persist and the Group shall adjust its strategy accordingly.

The Group has acquired the Money Lenders License in May 2014. The Group plans to continue and develop the money lending business so as to diversify the business portfolio of the Group.

Attributed to the unstable external factors impacting on the food and beverage business, it is expected that the slowdown in the food and beverage business will persist and as such, this business segment will suffer from a continuous scaling down. However, it is expected the reduction in the business volume of this segment would be compensated by the increase in the business volume brought by the money lending business and the operation of the health centre. Save as disclosed above, the Company and its Board does not have any agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) on any disposal/termination/scaling-down any part of the Company's existing businesses.

Other than the operation of the health centre commencing in February 2015 and the Acquisition, there is no other new business being contemplated currently by the Company.

The Company is not aware of any change in the Company's shareholding structure.

In order to capitalize new opportunities to achieve financial growth and also to compensate the loss in the business of food and beverage trading, the Purchaser entered into the Conditional Agreements for Sale and Purchase for acquiring, among others, 51% of the issued share capital of the Target Company, which is the legal and beneficial owner of the Land Property. Upon Completion, the Group will have 51% interest in the Land Property.

Currently, the Company intends to hold the Land Property for capital appreciation and has no concrete plan for further development of the Land Property.

In the recent decade, the Hong Kong property market maintains an increasing trend. During the twelve months period from April 2014 to March 2015, the discount window base rate in Hong Kong is 0.50 which is low (source of information is from Hong Kong Monetary Authority). During the twelve months period from April 2014 to March 2015, the unemployment rate in Hong Kong is 3.3% which is low (source of information is from the Census and Statistics Department). Since both low interest rate and low unemployment rate are favourable factors to drive the demand of the property market, the Directors hold the view that given interest rates and unemployment rate having stayed low and supply of properties being at shortage, property prices are hard to fall.

As mentioned, it is a new move for the Group acquiring and holding properties, the Directors plan to hold the Land Property for capital appreciation which would involve less complexity.

At present the Company does not anticipate that expertise in holding the Land Property is required and if the Company has determined to re-develop the Land Property for leasing purpose, the Company will consider recruitment of management with appropriate experience in the development of the Land Property.

The Board is of the view that the Acquisition will enable the Group to diversify its business and broaden its income stream through potential appreciation in value of the Land Property and/or leasing. The Land Property is located in Lomond Road in Kowloon City. Kowloon City is known as a traditional luxurious residential area in the urban district in Hong Kong as well as for its location with famous primary/secondary schools. It is also densely populated. According to the Kowloon City Property Price Indices (http://www.squarefoot.com.hk/transactions/kowloon-city), the property market rose from HK$8,500/sq.ft. in May 2014 to HK$10,500/sq.ft. in April 2015, representing an increase of 23.5% within the past one year. Since Kowloon City is such a traditional and densely populated residential area with an excellent school network, the supply of land for redevelopment is limited. By taking the advantage of the luxurious location of the Land Property and limited supply of similar type of land properties in the market, the Board is being optimistic about the return to be brought by the Land Property to the Group. Nevertheless, holding Land Property for return is a new move for the Group. As such, the Board considers taking a balance of risk and return and thus decides to first acquire 51% equity interest in the Target Company. As at the Latest Practicable Date, the Company does not have any intention to acquire the remaining 49% equity interest in the Target Company.

Having considered, including but not limited to, (i) the preliminary valuation of the Land Property; (ii) the potential appreciation in value of the Land Property; (iii) the location of the Land Property; (iv) the expected return to be generated to the Group by the Land Property; (v) the controlling rights in the Target Company; and (vi) the Consideration, the Board considers that the terms of the Conditional Agreements for Sale and Purchase are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Valuation of the Land Property

The Company has appointed the property valuer RAL for the valuation of the Land Property. The valuation of the Land Property is HK$325,000,000 and it represents its market value in accordance with the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors. For details, please refer to the Valuation Report as shown in the Appendix V to the Circular.

In preforming preliminary valuation of the Land Property which is intended to be acquired by the Group, RAL has used the direct comparison approach assuming sale of the Land Property in its existing state with the benefit of vacant possession by making reference to comparable sales transactions as available in the relevant market.

As per the recent similar property transactions in the subject locality with adjustments including the factors of time, site area, location and other relevant factors, the Board considered the Consideration to be fair and reasonable. The abovementioned transactions are quoted as follows:–

Property	Date	Nature	Site Area	Consideration
No. 123 Dumbarton Road	26 November 2013	P-ASP	About 5,110 sq.ft.	HK$160,000,000
No. 67-71 Lion Rock Road	7 November 2013	ASP	About 3,534 sq.ft.	HK$242,000,000

The Land Property with a site area of about 9,115.5 sq.ft. (or about 846.85 sq.m.) comprises the following lots (collectively known as the "Lots").

Street Number	Site Area	Lot Number
No. 8 Lomond Road	4,557.75 sq.ft.	The Remaining Portion of Section C of Kowloon Inland Lot No. 4164
No. 10 Lomond Road	4,557.75 sq.ft.	Sub-Section 1 of Section C of Kowloon Inland Lot No. 4164

The Lots are held under a Government lease for a term of 75 years commencing on 16 June 1939, renewable for a further term of 75 years.

Pursuant to the Government Lease, salient points concerning the use and development of the Land properties are extracted as follows:-

1. the Land Property cannot be erected any building or buildings other than detached or semi-detached houses of European type

2. the design of the exterior elevations and the disposition of which shall be subject to the special approval of the said director ("said director" means Majesty's Director of Public Works)

3. and the height of which shall not except with the consent of the said director exceed thirty five feet

4. and will not erect any building or buildings within ten feet of Leven Road.

Currently, Nos. 8 and 10 Lomond Road of the Land Property are both vacant sites and there is no construction work.

As advised by the Vendor, the acquisition cost of SGDL by the Target Company (completed on 14 January 2015) was HK$298 million. The original beneficial owners of SGDL are Independent Third Parties. Last transactions of the Land Property which was acquired by SGDL by stages are listed as follows:–

Premises	Consideration	Date of Instrument
G/F. & 1/3 of the Garage at	HK$7,100,000 (1/4 shares)	27 June 2011
the North Side,	HK$7,100,000 (1/4 shares)	22 July 2011
No. 8 Lomond Road	HK$14,200,000 (2/4 shares)	21 October 2011
1/F. & 1/3 of the Garage at the North Side, No. 8 Lomond Road	HK$22,500,000	23 August 2010
2/F. & 1/3 of the Garage at the North Side, No. 8 Lomond Road	HK$25,500,000	23 August 2010
No.10 Lomond Road	HK$34,000,000	21 April 1997

Risk Factors

In light of the Acquisition, the followings risk factors may be encountered by the Company:

(i) Unfulfilled legal and regulatory requirements

Currently, the Company intends to hold the Land Property for capital appreciation and has no concrete plan for future development of the Land Property. However, if future development of the Land Property is made or in relation to the plan to realise capital appreciation for the Land Property, certain approvals, licenses and permits are to be further obtained from the various government departments in Hong Kong and there may be conditions to be met and payments being shared by the Company or made by the Target Company. If the Company or the Target Company are not able to obtain the full and complete set of approvals, licenses and permits or are not able to fulfill any of the required conditions or payment, the Company's plan for capital appreciation of the Land Property or other plan may or may not proceed or may be adversely affected.

If future development of the Land Property is made or in relation to the plan to realise capital appreciation for the Land Property, the Company will look into the necessary legal and regulatory requirement and obtain all necessary approvals, licenses and permits from the various government departments in Hong Kong in a timely manner so that all legal and regulatory requirements shall be complied with by the Company or the Target Company.

(ii) Uncertainty in profitability of the Land Property

In the recent decade, the Hong Kong property market maintains an increasing trend. The Directors hold the view that given interest rates and unemployment rate having stayed low and supply of properties being at shortage, property prices are hard to fall. Despite of this, upward trend is the Hong Kong property market may or may not persist. As such, revenue and cashflow from such new businesses of holding Land Property may become uncertain.

As the Company's plan on the Land Property is for capital appreciation, the Company will closely monitor the property market so that return on the Land Property could be captured.

(iii) Additional operating costs

As mentioned, it is a new move for the Group acquiring and holding properties, the Directors plan to hold the Land Property for capital appreciation which would involve less complexity. At present, the Company does not anticipate that expertise in holding the Land Property is required and if the Company has determined to re-develop the Land Property for leasing purpose, the Target Group will consider recruitment of management with appropriate experience in the development of the Land Property. As such, the Target Group will incur more operating costs which may affect the profitability of the Target Group.

If additional operating costs arise in view of the change of the Company's plan on the Land Property, the Company will assess the return and costs and business model from time to time so that return on the Land Property could be captured and profitability of the Target Group could be realized.

(iv) Change in property valuation

It is highlighted that the property valuation as contained in Appendix V is the market value of the Land Property as at 31 March 2015 (assuming Completion as at 31 March 2015), and such market value may be varied in the future. Please refer to the Appendix V for the detailed bases and assumption of the property valuation. As confirmed by the auditors of the Company, the Company will account for the Land Property as investment property at the fair value at the date of Completion. Subsequent to the initial recognition of the Land Property, the Company will apply the cost model in accordance with HKAS 40 "Investment Properties" and the Land Property will be amortized over the remaining term of the leasehold land. The change in fair value of the Land Property at the end of each financial year end will not be accounted for, however, the fair value of the Land Property is necessary to be disclosed in the financial statements of the Company.

If there is any material adverse change to the financial position of the Group as a result of such change in property valuation of the Land Property, the Company will make proper announcement in compliance with the Listing Rules.

In overall, in order to alleviate the above risk factors, the Company will need to prepare a detailed costs and benefits analysis for consideration by the Board before a decision is made on the Land property. Such analysis would not only limit to the quantitative analysis for the detailed costs on re-development. It would also incorporate the necessary procedures for obtaining appropriate approvals, licenses and permits from the government and the estimated required time span. In addition, the management of the Target Company will be designated to monitor the property pricing trend and report to the Board on a regular basis.

Financial effects of the Acquisition

The financial impact of the Acquisition is set out in Appendix IV to this Circular. Please refer to the Appendix IV to this Circular for basis of preparing the pro forma financial information on the Enlarged Group and the pro forma financial information on the Enlarged Group after Completion. Upon Completion, the Company will be beneficially interested in 51% of the entire issued share capital of the Target Company and the Target Group will become subsidiaries of the Company and the accounts of the Target Company will be consolidated into the financial statements of the Group.

(i) Earnings

The Group recorded an audited turnover of approximately HK$6,734,000 and loss for the year of approximately HK$50,318,000 for the year ended 30 June 2014. As shown in the pro forma financial information of the Enlarged Group contained in Appendix IV to this Circular, the Target Group has recorded no turnover and a net loss of approximately HK$25,000 during the period ended 28 February 2015. There is no change in turnover of the Enlarged Group but decrease of net loss of the Enlarged Group by approximately HK$4,871,000 from HK$50,318,000 to HK$45,472,000 as a result of the Acquisition. The decrease in net loss is mainly because of bargaining purchase arising from the Acquisition of HK$4,871,000.

(ii) Assets

The Group has an audited total assets of approximately HK$109,989,000 as at 31 December 2014. The Acquisition would increase the total assets of the Enlarged Group by the amount of approximately HK$379,951,000 to approximately HK$489,940,000 as shown in the pro forma financial information of the Enlarged Group contained in Appendix IV to this Circular. The increase was mainly due to (i) increase in investment property of approximately HK$325,000,000; (ii) the payment of Consideration of approximately HK$160,650,000; and (iii) the estimated net proceeds from the Open Offer of approximately HK$215,600,000.

The Group has an audited net asset value of approximately HK$99,974,000 as at 31 December 2014. The Acquisition would increase the net asset value of the Enlarged Group by the amount of HK$379,502,000 to approximately HK$479,476,000 as shown in the pro forma financial information of the Enlarged Group contained in Appendix IV to this Circular.

(iii) Liabilities

The Group has an audited total current liabilities of approximately HK$9,524,000 as at 31 December 2014. The Acquisition would increase the total current liabilities of the Enlarged Group by the amount of approximately HK$449,000 to approximately HK$9,973,000 as shown in the pro forma financial information of the Enlarged Group contained in Appendix IV to this Circular. The increase was mainly due to (i) an increase of trade and other payables and accrued liabilities of approximately HK$193,000; and (ii) an increase in the amount due to a director approximately HK$256,000.

The Group has an audited total non-current liabilities of approximately HK$491,000 as at 31 December 2014. The Acquisition would not change the total non-current liabilities of the Enlarged Group as shown in the pro forma financial information of the Enlarged Group contained in Appendix IV to this Circular.

PROPOSED SHARE CONSOLIDATION

The Board proposes to put forward to the Shareholders a proposal to effect the proposed Share Consolidation whereby every twenty (20) issued Shares of par value of HK$0.001 each will be consolidated into one (1) Consolidated Share of par value of HK$0.02 each.

In order to facilitate the proposed Share Consolidation, the Company has repurchased eight (8) Shares so that 1,431,572,240 Shares in issue will be consolidated into 71,578,612 Consolidated Shares without any fractional Consolidated Shares. As the repurchase of Shares was conducted by the Company within ten (10) Business Days of the Announcement, no prior approval of the Stock Exchange pursuant to Rule 13.12 of the GEM Listing Rule is required.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon

(i) passing of the relevant resolution(s) to approve the Share Consolidation by the Shareholders by way of poll at the EGM; and

(ii) the GEM Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

Effect of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company is HK$1,000,000,000 divided into 1,000,000,000,000 Shares of HK$0.001 each, of which 1,431,572,240 Shares have been issued and are fully paid or credited as fully paid. Assuming that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK$1,000,000,000 divided into 50,000,000,000 Consolidated Shares of HK$0.02 each, of which 71,578,612 Consolidated Shares will be in issue which are fully paid or credited as fully paid following the Share Consolidation but before the completion of the Open Offer.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company, if feasible and applicable.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

Reasons for the Share Consolidation

Share Consolidation will increase the trading price per board lot of the Shares, which will reduce the overall transaction and handling costs of dealings in the Shares. The Board also believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company. In view of the above, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

Free exchange of Consolidated Shares' certificates and trading arrangements

Subject to the Share Consolidation becoming effective, which is expected to be on Friday, 12 June 2015, Shareholders may, during a period to be specified in the Circular, submit Existing Share Certificates for the existing Shares to the Registrar to exchange, at the expense of the Company, for New Share Certificates of the Consolidated Shares. Thereafter, each Existing Share Certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such higher amount as may be from time to time be specified by the Stock Exchange) for each New Share Certificate issued for the Consolidated Shares or each Existing Share Certificate submitted for cancellation, whichever the number of certificates issued or cancelled is higher. Nevertheless, the Existing Share Certificates will continue to be good evidence of legal title and may be exchanged for New Share Certificates for the Consolidated Shares at any time but are not accepted for trading, settlement and registration upon completion of the Share Consolidation.

Odd lots arrangements and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Freeman Securities Limited to stand in the market to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holdings of odd lots of the Consolidated Shares from 9:00 a.m. on Friday, 26 June 2015 to 4:00 p.m. on Friday, 17 July 2015 (both days inclusive). Holders of odd lots of the Consolidated Shares who wish to take advantage of this facility either to dispose of their odd lots of the Consolidated Shares or top up to a full board lot may, directly or through their brokers, contact Ms. Hong Ming Kiu, May of the Underwriter of 1601, 16/F., China United Centre, 28 Marble Road, North Point, Hong Kong by phone at (852) 3513 8002 or by fax at (852) 2815 6728 during this period.

Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

Application for listing of the Consolidated Shares

An application has been made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or, under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

No part of the securities of the Company is listed or dealt in on which listing or permission to deal is being or is proposed to be sought on other stock exchanges.

PROPOSED OPEN OFFER

The Open Offer is proposed to take place after and is conditional upon the Share Consolidation becoming effective. Details of the Open Offer are set out below:

Issue Statistics

Basis of the Open Offer:	Thirty (30) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders at the close of business on the Record Date

Number of Shares in issue as at the Latest Practicable Date:	1,431,572,240 Shares
Number of Consolidated Shares in issue assuming the Share Consolidation has become effective:	71,578,612 Consolidated Shares (assuming no further issue or repurchase of Shares up to the effective date of the Share Consolidation)
Number of Offer Shares:	2,147,358,360 Offer Shares (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date)
Subscription Price:	HK$0.105 per Offer Share
The aggregate nominal value of the Offer Shares:	HK$42,947,167.20

The Open Offer is fully underwritten by the Underwriter, who shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 11.23 of the GEM Listing Rules. The terms of the Underwriting Agreement were agreed after arm's length negotiation between the Company and the Underwriter.

The Offer Shares

Assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date, the total number of Offer Shares of 2,147,358,360 new Consolidated Shares will be issued and allotted representing:

(i) approximately 150% of the Company's existing issued Shares as at the Latest Practicable Date (before completion of Share Consolidation); and

(ii) approximately 96.8% of the Company's existing issued Shares as enlarged by the issue of the Offer Shares (as if completion of Share Consolidation and Open Offer has taken place).

As at the Latest Practicable Date, the Company has no other outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

The Subscription Price

The Subscription Price of HK$0.105 per Offer Share, payable in full upon application for the Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer by a Qualifying Shareholder.

The Subscription Price of HK$0.105 per Offer Share represents:

(i) a discount of approximately 92.9% to the closing price of HK$1.48 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation;

(ii) a discount of approximately 92.8% to the average of the closing prices of approximately HK$1.464 per Consolidated Share for the last five consecutive trading days up to and including the Last Trading Day and adjusted taking into account the effect of the Share Consolidation; and

(iii) a discount of approximately 29.7% to the theoretical ex-entitlement price of approximately HK$0.1494 per Consolidated Share (assuming there is no new Shares/Consolidated Shares issued by the Company and there is no Shares/Consolidated Shares being repurchased by the Company from the Latest Practicable Date up to the Record Date) based on the closing price of HK$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation.

The Subscription Price was a commercial decision and was determined after arm's length negotiations between the Company and the Underwriter with reference to (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; and (ii) the net loss of the Group for the four consecutive financial years since 2011. In view of the current market price of Shares and financial performance of the Group and in order to enhance the attractiveness of the Open Offer, issuance of new shares by way of open offer at a discount to the market price (which has been commonly adopted by listed issuers in Hong Kong) and such discount is to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the listed issuers in the future. Furthermore, since the Open Offer will allow the Qualifying Shareholders to maintain their pro-rata shareholdings in the Company, the executive Directors (including the independent non-executive Directors who have formed their views after considering the advice of the Independent Financial Adviser) consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Taking into account the estimated expenses in connection with the Open Offer of approximately HK$9.9 million, the net price per Offer Share is expected to be approximately HK$0.10 upon full acceptance of the relevant Offer Shares (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before Record Date).

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will send (i) the Prospectus Documents to the Qualifying Shareholders; and (ii) the Prospectus to the Non-Qualifying Shareholders for information only.

To qualify for the Open Offer, a Shareholder must:

(i) be registered as a member of the Company at the close of business on the Record Date; and

(ii) not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, holders of the Shares must lodge any transfers of Shares/Consolidated Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. (Hong Kong time) on Tuesday, 16 June 2015.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 17 June 2015 to Tuesday, 23 June 2015, both dates inclusive, to determine the eligibility of the Open Offer. No transfer of Shares or Consolidated Shares will be registered during this period.

Rights of the Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the register of members of the Company is in a place outside Hong Kong, that Overseas Shareholder may not be eligible to take part in the Open Offer as the Prospectus Documents will not be registered and/or filed under the applicable securities legislation of any jurisdictions other than Hong Kong. The Board will make enquiries, to be based on legal advice as to whether the issue of the Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange pursuant to Rule 17.41(1) of the GEM Listing Rules. If, after making such enquiry, the Board is of the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant places or the requirements of the relevant regulatory bodies or stock exchanges in that place, not to offer the Offer Shares to the Overseas Shareholders, no assured allotment of Offer Shares will be made to the Overseas Shareholders. Accordingly, the Open Offer will not be extended to the Non-Qualifying Shareholders.

Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

As at the Latest Practicable Date, there were Overseas Shareholders with registered addresses located in the PRC and the United Kingdom holding in aggregate approximately 0.68% of the total issued shares of the Company. The Board will obtain legal advice as to whether the issue of the Offer Shares to the Overseas Shareholders may contravene the applicable securities legislation of the PRC and United Kingdom and the requirements of the relevant regulatory bodies or stock exchanges respectively.

The Company will also continue to ascertain whether there are any other Overseas Shareholders on the Record Date and will, if necessary, make further enquiries with legal adviser(s) in other overseas jurisdiction(s) regarding the feasibility of extending the Open Offer to such other Overseas Shareholders registered as a member of the Company on the Record Date and make relevant disclosures in the Prospectus.

For those Overseas Shareholders who are to be excluded from the Open Offer, the Company will, subject to compliance with the relevant local laws, regulations and requirements, send copies of the Prospectus for information only to such Non-Qualifying Shareholders, but the Company will not send the Application Form(s) and EAF(s) to such Non-Qualifying Shareholders.

Basis of assured allotment

The basis of the assured allotment shall be thirty (30) Offer Shares for every one (1) Consolidated Share in issue and held on Record Date, being 2,147,358,360 Offer Shares (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date). Application for all or any part of a Qualifying Shareholder's assured allotment should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

Status of the Offer Shares

The Offer Shares, when allotted, fully paid and issued, will rank *pari passu* in all respects with the Consolidated Shares then in issue. Holders of the Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

Application for excess Offer Shares

Qualifying Shareholders are entitled to apply for any Offer Shares in excess of their own entitlement under the EAFs in relation to the Open Offer but are not assured of being allocated any Shares in excess of those in their own entitlement.

The Company will allocate the Offer Shares in excess of the entitlement at its discretion on a fair and equitable basis to the excess Offer Shares applied for by the Qualifying Shareholders. Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to application for the excess Offer Shares. The Directors will allocate the excess Offer Shares at their discretion on a fair and equitable basis on the following principles:

(i) no preference will be given to application for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Shares and thereby receiving more Offer Shares than they would receive if such preference is not given, which is an unintended and undesirable result; and

(ii) subject to availability of excess Offer Shares, the excess Offer Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Offer Shares applied for by them.

Any Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter and sub-underwriter(s).

Investors with their Shares or Consolidated Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Offer Shares will not be extended to beneficial owners individually. Investors with their Shares or Consolidated Shares held by a nominee company are advised to consider whether they would like to arrange for registration of the relevant Shares or Consolidated Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors should consult their professional advisers if they are in any doubt as to their status.

Investors whose Shares or Consolidated Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. (Hong Kong time) on Tuesday, 16 June 2015.

Fractions of the Offer Shares

No fractional entitlements to the Offer Shares will be issued to the Shareholders and no entitlements of the Non-Qualifying Shareholders to the Offer Shares will be issued to the Non-Qualifying Shareholders. The Offer Shares representing such fractional entitlements and entitlements of the Non-Qualifying Shareholders will be aggregated and made available for excess application by the Qualifying Shareholders.

Share certificates for the Offer Shares and refund cheques for the Open Offer

Subject to the fulfillment or waiver (as the case may be) of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 17 July 2015. Refund cheques in respect of wholly or partially unsuccessful application for the excess Offer Shares (if any) are expected to be posted on or before Friday, 17 July 2015 by ordinary post to the applicants at their own risk.

Application for listing of the Offer Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Offer Shares. Upon the Share Consolidation becoming effective, the Offer Shares shall have the board lot size of 20,000 Consolidated Shares per board lot.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS.

Dealings in the Offer Shares which are registered in the Registrar will be subject to payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Conditions of the Open Offer

The Open Offer is conditional upon the following conditions being fulfilled:

(i) the Share Consolidation becoming effective;

(ii) the passing of the relevant resolutions by the Shareholders approving the Open Offer and the transactions contemplated under the Underwriting Agreement at an extraordinary general meeting of the Company in accordance with the GEM Listing Rules;

(iii) the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (and all other documents required to be attached thereto) and the GEM Listing Rules;

(iv) the posting on the Posting Date of copies of the Prospectus Documents to the Qualifying Shareholders and to the extent reasonably practicable, copies of the Prospectus for information purpose only to the Non-Qualifying Shareholders;

(v) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;

(vi) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in the Offer Shares;

(vii) the Shares/Consolidated Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the current listing of the Shares not having been withdrawn or the trading of the Shares/Consolidated Shares not having been suspended for a consecutive period of more than 10 trading days (other than any suspension pending clearance of this announcement);

(viii) no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing of the Shares may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Open Offer or in connection with the terms of the Underwriting Agreement or for any other reason;

(ix) the procurement of one or more sub-underwriter(s) by the Company who are acceptable to the Underwriter, to sub-underwrite Offer Shares in aggregate with the value of not less than HK$50 million on terms acceptable to the Underwriter no later than the date on which the EGM is held; and

(x) the obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms thereof.

If the above conditions are not satisfied on or before 31 August 2015 (or such later date as the Company and the Underwriter may agree), all obligations and liabilities of the parties under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other (save for (i) any antecedent breaches hereof and; (ii) the underwriting commission paid by the Company which shall not be subject to any refund by the Underwriter and the Company shall remain liable for the amount of any underwriting commission that is still owing and has not been paid) and the Open Offer will not proceed.

The Underwriting Agreement (as amended by the Supplemental Underwriting Agreement)

Date:	17 March 2015 and 8 May 2015 (both after trading hours)
Underwriter:	Freeman Securities Limited
Number of Underwritten Shares:	2,147,358,360 Offer Shares (assuming no new Share/ Consolidated Share being issued and/or repurchased by the Company on or before the Record Date) at maximum
Commission:	3% of the Subscription Price multiplied by the amount of Offer Shares payable upon execution of the Underwriting Agreement

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Underwriter and its ultimate beneficial owner(s) and their respective associate(s) (and their ultimate beneficial owner(s), if any and applicable) are third party(ies) which are Independent Third Parties.

Save for the Underwriter being the sub-underwriter of the open offer as announced by the Company on 30 June 2014, there was/is no current or prior written or oral relationship/business arrangements/transactions/agreements/understanding between each of the Underwriter and the Company and its connected person, other than those relating to the Underwriting Agreement.

As at the Latest Practicable Date, save for its underwriting obligations, the Underwriter does not hold any Shares.

Pursuant to the Underwriting Agreement and the Supplemental Underwriting Agreement, the Company undertakes to the Underwriter that HK$140,650,000 from the net proceeds of the Open Offer will be used either (i) to settle the third instalment payment of the Acquisition or (ii) to repay the Promissory Note if it is issued before completion of the Open Offer or (iii) in circumstances that the Acquisition is not proceeded, towards alternative uses other than the payment of proceeds for the Acquisition as stated in the Announcement, namely, the establishment of more health centres in Hong Kong and the PRC. Such provision as stipulated in the Underwriting Agreement and the Supplemental Underwriting Agreement was determined after arm's length negotiation between the Company and the Underwriter. The Company considers that the allocation of the net proceeds from the Open Offer as stipulated in the Underwriting Agreement would reflect the commitment of the Company to apply net proceeds of HK$140.7 million from the Open Offer for the settlement of the third instalment payment in relation to the Acquisition and thus will facilitate the negotiation process for the Open Offer with the Underwriter. Therefore, the Directors consider that the terms of the Underwriting Agreement and the Supplemental Underwriting Agreement are fair and reasonable and in the interests of the Company and Shareholders as whole.

The terms of the Underwriting Agreement and the commission rate were determined after arm's length negotiations between the Company and the Underwriter by reference to the market rate, existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Directors (including those independent non-executive Directors) considers that the terms of the Underwriting Agreement (including the commission rate) are fair and reasonable so far as the Independent Shareholders are concerned.

Pursuant to the Underwriting Agreement, the Underwriter shall enter into legally binding arrangements with sub-underwriter(s) to the effect that if the Underwriter or any of the sub-underwriter is required to take up the Offer Shares pursuant to its underwriting/sub-underwriting obligations, (a) each of the Underwriter, the sub-underwriter(s) and placee(s) procured by it/them, together with the parties acting in concert (as defined under the Takeovers Code) with each of them, will not be interested in 30% or more of the issued share capital of the Company immediately after completion of the Open Offer; and (b) the public float requirement under Rule 11.23 of the GEM Listing Rules are complied with. The Underwriter shall also use its reasonable endeavours to ensure that each of the sub-underwriter(s) and placee(s) procured by it/them (and their respective ultimate beneficial owners) is independent of and not connected with the Company and its connected persons (as defined in the Listing Rules) and is not (as defined under the Takeovers Code) a party acting in concert with each other.

The Underwriter acted as the sub-underwriter to the open offer as disclosed in the Company's announcement dated 30 June 2014. The Company did not considered engaging other underwriters instead of the Underwriter which could offer the Company the structure of the Open Offer after considering (i) Open Offer being fully underwritten; (ii) the amount and size of the gross proceeds of the Open Offer; (iii) the underwriting commission accords with the market practice; (iv) thin liquidity in the trading of Shares and the historically unsatisfactory financial performance of the Group with a continuously loss making position; and (v) in the interests of time, the Company decided to choose the Underwriter to underwrite the Open Offer and not to approach other underwriters. Therefore, despite that fact that the Company did not approach other underwriters other than the Underwriter, in view of the reasons as stated above, the Directors (including those independent non-executive Directors) consider that not to find other underwriters other than the Underwriter is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company if at any time at or prior to the Latest Time for Termination:

(1) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:

  (i) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

  (ii) the occurrence of any local, national or international event or change, whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

  (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or

  (iv) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the shares of the Company generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

(vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole; or

(2) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the Cayman Islands, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or

(3) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the reasonable opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Open Offer or might cause a prudent investor not to accept the Offer Shares provisionally allotted to it; or

(4) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement; or

(5) if, at or prior to the Latest Time for Termination:

(i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or

(ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon giving any of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine save for any antecedent breaches and the obligation of the Company to pay the underwriting commission.

Reasons for the Open Offer and use of proceeds from the Open Offer

The Group is principally engaged in food and beverage trading and money lending. It has also commenced to operate a health centre to provide hot stone SPA and health related services.

The estimated gross proceeds and net proceeds of the Open Offer at the Subscription Price of HK$0.105 per Offer Share will be approximately HK$225.5 million and HK$215.6 million respectively (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date). The Company intends to apply such net proceeds of HK$140.7 million from the Open Offer for the settlement of the third instalment payment in relation to the Acquisition and the remaining balance for general working capital of the Group. The proceeds designated for general working capital were tentatively applied as to HK$20 million towards the development of the money lending business, as to HK$20 million towards the operations of the health centre and as to HK$34.9 million towards the general working capital purpose (including but not limiting to the purchase of listed securities, investment in potential projects and financing of daily operations).

Money Lending

The Group adopts a conservative approach to its lending business and only focuses on loans granted to small and medium sized enterprises and individuals on a small scale basis. While the Group would not openly solicit customers, all the lending business are transacted on a referral basis. On strict compliance of this principle, it is therefore not anticipated that a significant amount of funding to the lending business is required. The Group is currently not engaging in any negotiation or discussion of possible loan agreements. However, the Group has tentatively set aside HK$20 million from the net proceeds of the Open Offer to enhance the flexibility and efficiency in further developing the lending business.

Operation of the health centre

The operation of the health centre is a new segment business commenced in February 2015. Although the Group is conservatively optimistic on the future performance of the health centre, the Group would anticipate that it would take approximately one and a half years for the health centre to break even. The Group would, therefore, tentatively set aside HK$20 million from the net proceeds of the Open Offer in order to cover the operational and repair and maintenance expenses of the health centre before it reaches its breakeven point.

According to the management of the Group, the initial costs of establishment for the current health centre to provide hot stone SPA and health related services in Hong Kong is about HK$22 million. The initial costs of establishment for the more health centre in Hong Kong and the PRC is more or less the same. Thus, if the Acquisition is not proceeded, the alternative use of the proceeds will be intended for the establishment of a maximum of six health centres in Hong Kong and the PRC.

As stated in sub-paragraph headed "Conditions precedent", "As at the Latest Practicable Date, save for the conditions (a) and (b) have been fulfilled, none of the other conditions precedent to the Conditional Agreements for Sale and Purchase has been fulfilled." As at the Latest

Practicable Date, the Company does not foresee any obstacles in the satisfaction of the conditions precedent (d), (e) and (f) to the Conditional Agreements for Sale and Purchase. If the Acquisition is not proceeded, the Company will consider to apply net proceeds towards the money lending and operation of the health centre businesses as disclosed on page 40 of the Circular. The Company will publish announcement for details of use of proceeds from the Open Offer if the Acquisition is not proceeded.

The cash and bank balances as shown in the Group's management accounts as at 31 March 2015 were approximately HK$3.6 million. There is an imminent need for the Company to raise additional funds to meet its funding requirements. The Open Offer will enable the Group to raise funds for the settlement of the third instalment payment in relation to the Acquisition by cash and the remaining balance for general working capital. The Board has considered other fund raising alternatives, including but not limited to bank borrowings, share placement and rights issue. In the view that borrowings would result in additional interest burden and higher gearing ratio of the Group and share placement may necessarily dilute the shareholding in the Company of the existing Shareholders, the Board considers those two fund raising methods to be unpreferable. On the other hand, rights issue as compared with open offer would offer an opportunity of trading nil-paid rights to the Shareholders. The administrative and professional costs to the Company for conducting a right issue do not differ substantially with those for an open offer. The only extra costs to the investors are the transaction costs (including brokers' commission, stamp duties, Stock Exchange's Levies, etc.) for trading nil-paid rights. Nevertheless, having considered and balanced against the extra administrative work and cost which will be involved for the trading arrangements in relation to the nil-paid rights, the Board is of the opinion that raising funds by way of the Open Offer is more cost effective and efficient.

The Group incurred a loss for the three years ended 31 December 2014 and for the six months period ended 31 December 2014. In the interim report of the Company for the six months ended 31 December 2014, the Group recorded a consolidated revenue of HK$2.61 million for the six months ended 31 December 2014 comparing to that of HK$4.44 million for the six months ended 31 December 2013, which represents a substantial reduction of HK$1.83 million or 41.2%. The substantial reduction in revenue was primarily attributable to the continuing reduction of revenue generated from the food and beverage trading due to the slowdown for the demands of quality food attributable to the reduction in spending by the mainland visitors and the relatively weak performance of the local economy. The Board is not too optimistic about the future performance of this business segment as there are signs to indicate that a prolonged period of antagonizing sentiment against mainland visitors has emerged. It is believed that the slowdown for quality food will persist and therefore the Group will have to further develop other business segments and explore other potential investment opportunities as to compensate the loss in revenue of the food and beverage trading.

The Board considers that the Open Offer represents an opportunity for the Company to strengthen its financial position for further development of business of the Group such as the Acquisition as well as general working capital for money lending business and operation of the health centre after having considered that:

(i) the historical loss-making record (in particular in view of the food and beverage trading business of the Group) and significant business turnaround of the Group is not expected to happen in the immediate future;

(ii) limited cash generating ability from food and beverage trading business;

(iii) new business opportunities like the Acquisition, money lending business and operation of the health centre;

(iv) as a continuous effort of the Board to improve the financial position of the Company;

(v) the Open Offer offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so;

(vi) the discount of the Subscription Price to the prevailing market price in order to enhance the attractiveness of the Open Offer and it is the Company's objective to encourage the participation of Qualifying Shareholders in the Open Offer; and

(vii) after considering other alternative fund raising methods, it is prudent to finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. In addition, the Board believes that the Open Offer will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise.

Given the above factors, the Directors (including the independent non-executive Directors) considered that the Open Offer and the use of proceeds from Open Offer (i.e. HK$140.7 million out of the net proceeds from the Open Offer which has been earmarked for the Acquisition while the remaining balance could be applied towards general working capital of the Group as described above) is in the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) have considered the following factors in determining the Open Offer structure including the number of shares offered for each Consolidated Share and the discount of the Subscription Price:

(i) the existing cash position of the Group (as at 31 December 2014, the cash and bank balances is approximately HK$10.19 million) and the funding requirements of the Group to, among others, meet the balance of the Consideration;

(ii) the thin liquidity in the trading of Shares and the historically unsatisfactory financial performance of the Group with a continuously loss making position; and

(iii) the setting of the Subscription Price must be at a sufficiently deep discount to the prevailing market price to enhance the attractiveness of the Open Offer to the Shareholders.

The proposed structure of the Open Offer, i.e. Thirty Offer Shares for every one Consolidated Share and the Subscription Price which represents a substantial discount of approximately 92.9% to the closing price of HK$1.48 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation was determined after arm's length negotiation between the Company and the Underwriter, having taken into account (i) the Open Offer represents an opportunity for the Company to strengthen its financial position for further development of business of the Group as mentioned above; (ii) all Qualifying Shareholders have been offered the same opportunity to maintain their proportional interests in the Company; (iii) the inherent dilutive nature of open offer in general if the existing Shareholders do not take up his/her/its entitlements thereunder; (iv) the substantial discount of the Subscription Price to prevailing market price of the Consolidated Shares (as adjusted for the effect of the Share Consolidation) was necessary to encourage the Qualifying Shareholders to participate in the Open Offer especially when liquidity in the trading of Shares is thin and the historically financial performance of the Group is unsatisfactory and with a continuously loss making position; and (v) assuming the amount of fund raising from the Open Offer is maintained at approximately HK$215.6 million, in the event that the subscription ratio was set at a lower proportion (such as 25 Offer Shares for every one Consolidated Share), the subscription price of any open offer would have to be higher than the Subscription Price and such discount of the Subscription Price to the prevailing market price of the Share cannot be maintained and be available to the Qualifying Shareholders. Therefore, discount as offered by the Subscription Price may not be attractive enough to attract Shareholders to participate in the Open Offer. Despite the potential dilution effect resulted from proposed structure of the Open Offer and substantial discount of the Subscription Price to the closing price of Consolidated Shares, after a balanced consideration, the Directors (including the independent non-executive Directors having consulted the Independent Financial Adviser) consider (i) the Subscription Price which was set at a substantial discount to the closing price will enhance the attractiveness of the Open Offer and therefore, is fair and reasonable; and (ii) the possible dilution effect resulted from proposed structure of the Open Offer (i.e. Thirty Offer Shares for every one Consolidated Shares) for those Shareholders who do not participate in the Open Offer to be fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Directors (including the independent non-executive Directors) has formed the view on the fairness and reasonableness of the Open Offer after considering (i) Company's background and financial status (such as financial performance and position and immediate funding requirement for the Acquisition and other business development); (ii) structure of the Open Offer; (iii) current market comparables; (iv) trading of Shares and its liquidity; and (v) the opinion of the Independent Financial Adviser as discussed above.

However, those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Open Offer is approximately 96.77%.

Other than the Open Offer, at the current moment, the Company does not expect to commence any future fund raising activities, but the Company would not rule out any possibilities in future fund raising exercises when the Company sees that the market conditions warrant their implementation. In order to capture any potential investment opportunities timely, the Company intends to refresh the general mandate to reflect the actual number of shares to be allotted as a result of the Open Offer, which would authorize the Directors to issue and allot up to 20% of the aggregate nominal amount of the enlarged issued share capital subsequent to the completion of the Open Offer.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE CONSOLIDATED SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealings in the Shares and the Consolidated Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares and the Consolidated Shares will be dealt in on an ex-entitlement basis commencing from Monday, 15 June 2015 and that dealings in the Shares and the Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealings in the Shares and the Consolidated Shares up to the date on which all conditions to which the Open Offer are subject to are fulfilled (which is expected to be at 4:00 p.m. on Wednesday, 15 July 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating to sell or purchase any Shares and Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company from (i) the Latest Practicable Date; (ii) immediately after the Share Consolidation but before completion of the Open Offer; and (iii) immediately after completion of the Open Offer, assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date:

	As at the Latest Practicable Date		Immediately after the Share Consolidation but before completion of the Open Offer		Immediately after completion of the Open Offer assuming All Offer Shares are subscribed for by the Qualifying Shareholders		Immediately after completion of the Open Offer assuming None of the Offer Shares are subscribed for by the Qualifying Shareholders *(Note 1)*	
	No. of Shares	*Approximate %*	*No. of Consolidated Shares*	*Approximate %*	*No. of Consolidated Shares*	*Approximate %*	*No. of Consolidated Shares*	*Approximate %*
Underwriter	–	0.00%	–	0.00%	–	0.00%	2,147,358,360	96.77%
Other public shareholders	1,431,572,240	100.00%	71,578,612	100.00%	2,218,936,972	100.00%	71,578,612	3.23%
	1,431,572,240	100.00%	71,578,612	100.00%	2,218,936,972	100.00%	2,218,936,972	100.00%

Note 1: This scenario is for illustrative purpose only and will never occur. Pursuant to the Underwriting Agreement, the Underwriter confirms that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters or will subscribe Offer Shares on its own. Moreover, the Open Offer will not result in insufficient public float.

The Underwriter will subscribe 190,000,000 Offer Shares and has sub-underwritten 1,957,358,360 Underwritten Shares to 18 sub-underwriters.

The Underwriter has sub-underwritten its underwriting commitment to 18 sub-underwriters. The list of sub-underwriters and maximum number of Offer Shares sub-underwritten to each of them are listed out as below:

Sun International Securities Limited	95,000,000 Offer Shares
Pico Zeman Securities (HK) Limited	95,000,000 Offer Shares
Sanfull Securities Limited	38,000,000 Offer Shares
China Times Securities Limited	95,000,000 Offer Shares
South China Securities Limited	57,000,000 Offer Shares
Kwong Kai Sing, Benny	81,440,000 Offer Shares
Pak William Eui Won	81,440,000 Offer Shares
Choi Ka Wing	81,440,000 Offer Shares
Au Yeung Kai Wah	81,440,000 Offer Shares
Yu Man Fung, Alice	81,440,000 Offer Shares
Wong Ying Seung, Asiong	81,518,360 Offer Shares
Yao Man Yi	81,440,000 Offer Shares
Lam Suk Ping	81,440,000 Offer Shares
Pearl Decade Limited	81,440,000 Offer Shares
Genius Spring Limited	81,440,000 Offer Shares
Alexia Joulian	81,440,000 Offer Shares
Main Purpose Investments Limited	81,440,000 Offer Shares
HEC Securities Limited	600,000,000 Offer Shares
Total	**1,957,358,360 Offer Shares**

Each of those 18 sub-underwriters and its respective ultimate beneficial owners (if applicable) are Independent Third Parties. Pursuant to the sub-underwriting obligations of the sub-underwriters, in the event of the Underwriter or the sub-underwriters (including but not limited to HEC Securities Limited) being called upon to subscribe for or procure subscribers of any of the Underwritten Shares, the Underwriters shall ensure that none of the subscribers of the Underwritten Shares will hold 10% or more of the issued share capital of the Company immediately after completion of the Open Offer and thus become a substantial Shareholder (as defined in the Listing Rules) of the Company as a result of such subscription.

According to the Underwriter, each of the sub-underwriters is either (i) a licensed corporation to carry out business in Type 1 (dealing in securities) regulated activities under the SFO, or (ii) has a net worth of portfolio of over HK$ 8 million which is the amount of subscription money needed for the subscription of Offer Shares, or (iii) a "professional investor" as defined under the SFO and has sufficient financial resources to sub-underwrite, or (iv) subsidiaries of listed companies in Hong Kong.

One of the conditions precedent to the Underwriting Agreement is "the procurement of one or more sub-underwriter(s) by the Company who are acceptable to the Underwriter, to sub-underwrite Offer Shares in aggregate with the value of not less than HK$50 million on terms acceptable to the Underwriter no later than the date on which the EGM is held". Such condition was requested by the Underwriter to balance the risk of its underwriting commitment and the Company agreed to it. In order to fulfill such condition, the Company has approached five underwriters (i.e. Sun International Securities Limited, Pico Zeman Securities (HK) Limited, China Times Securities Limited, South China Securities Limited and Sanfull Securities Limited, the former four sub-underwriters are known to the Company by reasons of the open offer as announced by the Company on 30 June 2014 and Sanfull Securities Limited was introduced to the Company through personal contact of the Company's management) in the market and referred them to the Underwriter as the sub-underwriters. The Underwriters found that the five sub-underwriters are acceptable to it and therefore, the Underwriter has approached all sub-underwriters for the Open Offer. Each of those 18 sub-underwriters and its respective ultimate beneficial owners (if applicable) are Independent Third Parties.

As disclosed in the public information, as at 25 March 2015, HEC Capital Limited is interested in 515,960,540 shares of Freeman Financial Corporation Limited ("**Freeman**"), representing approximately 4.99% of the issued share capital of Freeman. These shares are held by Murtsa Capital Management Limited and HEC Securities Limited. Both companies are wholly-owned subsidiaries of HEC Capital Limited. Freeman is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange (stock code: 279). The Underwriter is an indirect non-wholly owned subsidiary of Freeman.

As disclosed in the interim report of Freeman for the six months period ended 30 September 2014, upon completion date of the formation of joint venture ("**Joint Venture**") with a wholly-owned subsidiary of a listed company in Hong Kong in June 2014, Freeman, through the Joint Venture, holds approximately 18.74% of the entire issued share capital of HEC Capital Limited.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, the Underwriter, each of the 18 sub-underwriters and their respective ultimate beneficial owners are independent of each other.

As stipulated in the sub-underwriting letters executed between the Underwriter and each of the sub-underwriters (as listed above), in the event that the Underwriter or any of the sub-underwriters is required to take up the Offer Shares pursuant to their underwriting/sub-underwriting obligations, the Underwriter can call upon each of the sub-underwriter to subscribe for such number of Offer Shares up to a maximum number of Offer Shares as described in the respective sub-underwriting letter.

POSSIBLE ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

There is an Share Option Scheme adopted by the Company on 20 November 2012. As at the Latest Practicable Date, no share options have been granted under the Share Option Scheme by the Company. As a result of the Share Consolidation and the Open Offer, the number of Consolidated Shares falling to be issued upon exercise of the share options (if any) pursuant to the Share Option Scheme will be adjusted if necessary. Further announcement will be made by the Company in respect of such adjustments as and when appropriate.

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Date of grant of the general mandate	% of general mandate utilized by the placing of new shares	Net proceeds raised (approximately)	Intended use of the net proceeds	Actual use of the net proceeds as at the Latest Practicable Date
3 June 2014 (completed on 12 June 2014)	Placing of 184,104,000 placing Shares at a price of HK$0.076 per Share under general mandate	The general mandate was approved at the extraordinary general meeting of the Company held on 8 April 2014	184,104,000 new Shares represent approximately 100.00% of the 184,104,144 new Shares that may be issued under the general mandate	HK$13.5 million	For general working capital of the Group	(i) approximately HK$4.90 million was used for payment of the operating expenses; and (ii) approximately HK$8.60 million was used for granting of loans under the lending business of the Group.
30 June 2014 (completed on 8 September 2014)	Open offer on the basis of eight (8) offer shares at a subscription price of HK$0.20 for every one (1) consolidated share held on the record date	Not applicable	Not applicable	HK$170.2 million	For early redemption of all the then outstanding convertible bonds	HK$170 million was used in early redemption of the entire outstanding balance of the convertible bonds and the remaining balance of approximately HK$200,000 was used for payment of the operating expenses.
3 October 2014 (completed on 15 October 2014)	Placing of 198,830,000 placing Shares at a price of HK$0.132 per Share under general mandate	The general mandate was approved at the extraordinary general meeting of the Company held on 16 September 2014	198,830,000 new Shares represent approximately 100.00% of the 198,832,449 new Shares that may be issued under the general mandate	HK$25.4 million	For general working capital of the Group	(i) approximately HK$1.0 million was used for purchase of listed securities; (ii) approximately HK$4.2 million was used for granting of loans under the lending business of the Group; (iii) approximately HK$10.2 million was used for procurement of fixed assets and payment of the operating expenses; and (iv) HK$10.0 million was used as the payment of Earnest Money under the MOU.
23 December 2014 (completed on 13 January 2015)	Placing of 238,580,000 placing Shares at a price of HK$0.065 per Share under general mandate	The general mandate was approved at the annual general meeting of the Company held on 25 November 2014	238,580,000 new Shares represent approximately 99.99% of the 238,598,449 new Shares that may be issued under the general mandate	HK$14.79 million	For general working capital of the Group	(i) HK$10.0 million was used in the payment of refundable deposit under the Sales and Purchase Agreement; and (ii) the remaining balance of HK$4.79 million was maintained at the Group's bank accounts.

Save for the above, the Company has not conducted any other equity fund raising exercises in the past twelve months immediately preceding the Latest Practicable Date.

As disclosed above, the Company has conducted 3 placings for a total of 621,514,000 shares under general mandate and an open offer for a total of 883,699,776 shares. The net proceeds from the 3 placings were utilized in (i) financing the operational expenses of the Group; (ii) funding the money lending business; (iii) Purchase of listed securities; (iv) the establishment costs of the health centre; and (v) payment of the earnest money and refundable deposit in relation to the proposed Acquisition, while the net proceed from the open offer was specifically utilized in early redemption of the entire outstanding balance of the convertible bonds. The net proceeds from the 3 placings and open offer were, therefore, all utilized for legitimate purposes and hence, the Company does not consider that the previous funds raising exercises would have any impact on the proposed Open Offer.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio pursuant to Chapter 19 of the GEM Listing Rules exceeds 100%, the Acquisition constitutes a very substantial acquisition for the Company. Accordingly, the Acquisition will be subject to the requirements of reporting, announcement and shareholders' approval at the EGM pursuant to Chapter 19 of the GEM Listing Rules.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Acquisition which is different from the other Shareholders. Therefore, no Shareholder is required to abstain from voting on the relevant resolutions to be proposed at the EGM to approve the Conditional Agreements for Sale and Purchase and the transactions contemplated thereunder. If the Vendor and/or its associates hold any Shares on the date of the EGM, they will be required to abstain from voting on the relevant resolutions to be proposed at the EGM in relation to the Conditional Agreements for Sale and Purchase and the transactions contemplated thereunder. As at the Latest Practicable Date, neither the Vendor nor its associates hold(s) any Shares.

No Shareholders is required to abstain from voting on such resolution(s) in respect of the Share Consolidation at the EGM.

The Open Offer is conditional upon, among other things, obtaining approval from the Independent Shareholders on vote taken by way of poll at the EGM. In accordance with Rule 10.39(1) of the GEM Listing Rules, any Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Open Offer. As at the Latest Practicable Date, since there is no Controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the resolution(s) relating to the Open Offer in accordance with Rule 10.39(1) of the GEM Listing Rules. As at the Latest Practicable Date, none of the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates has any Shares. Accordingly, no Shareholders is required to abstain from voting on such resolution(s) in respect of the Open Offer at the EGM.

Upon approval of the Open Offer by the Independent Shareholders at the EGM and the Share Consolidation becoming effective, the Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders as soon as practicable and the Prospectus will be despatched to the Non-Qualifying Shareholders for information only.

As at the Latest Practicable Date, there is no substantial Shareholders.

TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Offer Shares. It is emphasized that none of the Company, its Directors or any other parties involved in the Open Offer accepts responsibility for any tax effects or liabilities of holders of the Offer Shares resulting from the purchase, holding or disposal of, or dealing in the Offer Shares.

RE-ELECTION OF DIRECTOR

Mr. Hau Chi Kit ("Mr. Hau") and was appointed as independent non-executive Director by the Board with effect from 1 May 2015 to fill the casual vacancy following the resignation of Mr. Siu Kwok Chung. Pursuant to the Articles of Association of the Company, Mr. Hau shall hold office until the EGM and, being eligible, offers himself for re-election at the EGM. The details of Mr. Hau are set out below.

Mr. Hau, aged 43, graduated from University of Oregon, the United States of America, with a bachelor of science in economics in 1994, passed the Common Professional Examination at the College of Law, Guildford, the United Kingdom, in 1999 and obtained a Postgraduate Certificate in Laws from The University of Hong Kong in 2000. During the period from 2002 to 2008, Mr. Hau practiced as a barrister-at-law in Hong Kong. From 2008 to 2014 Mr. Hau was a solicitor in private practice. Prior to becoming a barrister, Mr. Hau worked at the Securities and Futures Commission. Currently, Mr. Hau is a solicitor not in private practice. Mr. Hau has been appointed as the independent non-executive director of China Zenith Chemical Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 362) and eForce Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 943) on 18 December 2013 and 7 March 2014 respectively.

Mr. Hau has not entered into any service contract with Company. His appointment has no fixed term and is subject to retirement at the first general meeting of the Company after his appointment and thereafter subject to retirement by rotation in accordance with the Articles of the Company. Mr. Hau is entitled to a remuneration of HK$10,000 per month which has been determined by the Board with reference to his individual qualifications, experience, duties and responsibilities as well as prevailing economic situation and market practice. Further, Mr. Hau has confirmed that he does not have any interest or short position (both within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined under Part XV of the SFO) as at the Latest Practicable Date.

Save as disclosed above, (i) Mr. Hau does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years; (ii) Mr. Hau does not hold any other positions with the Company or other subsidiaries of the Company; (iii) Mr. Hau does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders (as defined in the GEM Listing Rules; and (iv) there is no information that should be disclosed pursuant to sub-paragraphs (h) to (v) of Rule 17.50(2) of the GEM Listing Rules nor any other matters that need to be brought to the attention of the Shareholders in relation to the appointment of Mr. Hau.

EGM

The EGM will be held to consider, and if thought fit, to pass the resolutions to approve (among other things) the Conditional Agreements for Sale and Purchase, the Share Consolidation, the Open Offer, the transactions contemplated thereunder and the re-election of Mr. Hau as the independent non-executive Director.

A notice of the EGM is set out from pages 190 to 193 of this Circular. The EGM will be convened at The Boardroom (Basement 2), The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 11 June 2015 at 11:00 a.m. for the purpose of considering, and if thought fit, the passing of the relevant resolution(s) approving the Acquisition, the Share Consolidation and the Open Offer and the transactions contemplated thereunder and the re-election of Mr. Hau as the independent non-executive Director.

A form of proxy for use at the EGM is enclosed with this Circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy to the Registrar as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM should you so wish.

As completion of the Acquisition and the Open Offer are both conditional upon satisfaction of the respective conditions precedent as set out under the Conditional Agreements for Sale and Purchase and the Underwriting Agreement, the Acquisition and the Open Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and the Consolidated Shares.

RECOMMENDATION

Your attention is drawn to the letter from the Independent Board Committee to the Independent Shareholders set out on page 52 of this Circular and the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders set out from pages 53 to 80 of this Circular which contains its advice and recommendation to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer.

Having taken into account the advice and recommendation of the Independent Financial Adviser, the independent non-executive Directors consider that the terms of the Open Offer are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Further, the independent non-executive Directors consider that the Open Offer is in the interest of the Company and the Shareholders as a whole. Accordingly the independent non-executive Directors recommend the Independent Shareholders to vote in favour of the proposed resolutions approving the Open Offer and the transactions contemplated thereunder.

The Directors (including the independent non-executive Directors) are of the opinion that the Acquisition, the Share Consolidation and the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders to vote in favour of the proposed resolution(s) approving the Acquisition, the Share Consolidation, the Open Offer and the transaction contemplated thereunder at the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information on the Group set out in the appendices to this Circular.

For and on behalf of the Board of
Celebrate International Holdings Limited
Leung Wai Kuen, Cerene
Executive Director

CELEBRATE INTERNATIONAL HOLDINGS LIMITED
譽滿國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8212)

26 May 2015

To the Independent Shareholders

Dear Sir or Madam,

PROPOSED OPEN OFFER ON THE BASIS OF THIRTY OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK$0.105 PER OFFER SHARE

We refer to the circular of the Company dated 26 May 2015 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter will have the same meanings as defined in the Circular.

We have been appointed to advise the Independent Shareholders in connection with the terms of the Open Offer. Pan Asia Corporate Finance Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Your attention is also drawn to the letter from the Board set out on pages 10 to 51 of the Circular.

We are of the view that the terms of the Open Offer, after taking into account the advice of the Independent Financial Adviser as set out from pages 53 to 80 of the Circular, are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and that the Open Offer are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed resolution(s) approving the Open Offer at the EGM.

Yours faithfully,

Ms. Chan Wan Yee **Mr. Hau Chi Kit** **Mr. Sit Bun**

Independent non-executive Directors

The following is the text of a letter of advice to the Independent Board Committee and the Independent Shareholders from Pan Asia Corporate Finance Limited in respect of the terms of the Open Offer prepared for the purpose of incorporation into this circular.

泛亞金融有限公司
Pan Asia Corporate Finance Limited
Unit 1504, 15th Floor, The Center,
99 Queen's Road Central,
Central, Hong Kong

26 May 2015

To: The Independent Board Committee and the Independent Shareholders of Celebrate International Holdings Limited

Dear Sir or Madam,

PROPOSED OPEN OFFER ON THE BASIS OF THIRTY OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE HELD ON THE RECORD DATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Open Offer, details of which are set out in the Letter from the Board (the "**Letter from the Board**") contained in the circular of the Company dated 26 May 2015 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 18 March 2015, the Company announced, among other things, the Open Offer by which the Company proposed to raise approximately HK$225.5 million (before expenses) by way of an open offer of 2,147,358,360 Offer Shares at the Subscription Price of HK$0.105 per Offer Share on the basis of thirty (30) Offer Shares for every one (1) Consolidated Share held by the Qualifying Shareholders on the Record Date. As at the Latest Practicable Date, the Company had no other derivatives, outstanding convertible securities, options or warrant in issue which confer any right to subscribe for, convert or exchange into Shares. The Open Offer is not available to the Non-Qualifying Shareholders.

The Open Offer will be fully underwritten by the Underwriter subject to the terms and conditions set out in the Underwriting Agreement. In accordance with Rule 10.39(1) of the GEM Listing Rules, the Open Offer must be made conditional on approval by Shareholders in general meeting by a resolution on which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Open Offer to be proposed at the EGM.

As at the Latest Practicable Date, there was no controlling Shareholder, and the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Open Offer according to Rule 10.39(1) of the GEM Listing Rules. As the Latest Practicable Date, none of the Directors and the chief executive of the Company and their respective associates were interested in any Shares and therefore no person is required to abstain from voting in favour of the Open Offer.

An Independent Board Committee, comprising Ms. Chan Wan Yee, Mr. Hau Chi Kit and Mr. Sit Bun, being all of the independent non-executive Directors, has been established to make recommendation to the Independent Shareholders as to (i) whether the terms of the Open Offer are fair and reasonable so far as the Independent Shareholders are concerned; and whether they are in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the proposed resolution(s) relating to the Open Offer at the EGM.

In our capacity as the Independent Financial Adviser appointed to give advice to the Independent Board Committee and the Independent Shareholders, we are required to give an independent opinion as to (i) whether the terms of the Open Offer are fair and reasonable so far as the Independent Shareholders are concerned, and whether they are in the interests of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the proposed resolution(s) relating to the Open Offer at the EGM.

Pan Asia Corporate Finance Limited ("**Pan Asia**") is not associated with the Company, the Underwriter or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, is considered eligible to give independent advice on the terms of the Open Offer and the Refreshment of General Mandate. Apart from normal professional fees payable to us in connection with this engagement, no arrangement exists whereby Pan Asia will receive any fees or benefits from the Company, the Underwriter or their respective substantial shareholders or any party acting, or presumed to be acting, in concert with any of them.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular as well as the information and representations provided to us by the Company, the Directors and the management of the Company.

We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided to us by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date. Should there be any subsequent material changes which occurred during the period from the date of the Circular up to the date of the EGM that would affect or alter our opinion on the Open Offer, we will notify the Independent Board Committee and the Independent Shareholders as soon as possible.

We have no reason to doubt the truth, accuracy or completeness of the information and representations made to us by the management of the Group. We have been advised that no material facts have been omitted from the information supplied and opinions expressed. As such, we have no reason to suspect that any relevant information has been withheld or omitted from the information provided and referred to in the Circular or the reasonableness of the opinions and representations provided by the management of the Group to us, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on the accuracy of the information contained in the Circular and to provide a reasonable basis for our opinion. We have not, however, conducted any independent investigation into the business and affairs or the future prospects of the Group, nor have we carried out any independent verification of the information provided by the management of the Group.

All Directors issuing the Circular jointly and severally accept full responsibility for the accuracy of information contained in the Circular and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading.

OUR QUALIFICATIONS AND INDEPENDENCE

Pan Asia has been licensed by the Securities and Futures Commission (the "**SFC**") since 1992 and is a licensed corporation engaging in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO. Mr Cheung, who is the Chairman of Pan Asia and signs off on this letter, is licensed by the SFC as a Responsible Officer and a Principal licence holder of Pan Asia, and has over 20 years' experience in the financial services industry in Hong Kong.

In March 2014, Pan Asia was engaged to act as the independent financial adviser to the independent board committee and independent shareholders of the Company and advise them on the fairness and reasonableness of granting an issue mandate ("**mandate**") under which the Directors could issue and allot new shares not exceeding 20% of the total issued share capital of the Company. For details of our work regarding this transaction, please refer to pages 9-14 of the circular issued by the Company dated 24 March 2014. The mandate was granted by Company's independent shareholders in an extraordinary general meeting on 8 April 2014.

Notwithstanding that we took on the above engagement within two years of acting as the Independent Financial Adviser in the current transaction, we confirm that we are not associated with the Company's directors, substantial shareholders and their associates, and we are of the view that we meet the independence guidelines as set out in Rule 17.96 of the GEM Listing Rules.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion on the terms of the Open Offer, we have taken into consideration the following principal factors and reasons:

1. Background information

(a) The Group's business activities

The Group has been principally engaged in food and beverage trading and in money lending. The types of products traded in the food and beverage business segment include table wines and liquor, seafood, quality meat, cooking sauces and seasoning. In February this year, the Group started to operate a health centre in an effort to provide hot stone spa and health related services including ganbanyoku and health urn to customers.

(b) Financial performance

The following table summarises the financial information of the Group for the two years ended 30 June 2014 and the six months ended 31 December 2014, which have been extracted from the annual report of the Company for the year ended 30 June 2014 (the "**AR 2013/14**") and the interim report for the six months ended 31 December 2014 (the "**IR 2014/15**") respectively. Please refer to the "Financial information of the Group" set out in Appendix I to the Circular for details.

	For the year ended 30 June		**For the six months ended 31 December**	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
Revenue	6,734	20,912	2,612	4,435
Gross Profit	220	754	1,981	133
Loss from operations	(31,593)	(18,395)	(2,813)	(1,424)
Finance costs	(18,899)	(14,245)	(1,903)	(7,476)
Share of profit from/loss of an associate	174	98	(314)	(81)
Loss from continuing operations	(50,318)	(32,542)	(5,030)	(8,981)
Loss from discontinued operations	–	(8,078)	–	–
Loss for the year/period	(50,318)	(40,620)	(5,030)	(8,981)

	As at 30 June		As at 31 December	
	2014	**2013**	**2014**	**2013**
	(Audited)	(Audited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets	40,952	51,012	51,899	51,256
Current assets	52,005	21,678	58,090	22,523
Non-current liabilities	141,894	123,830	491	131,303
Current liabilities	6,296	3,978	9,524	6,575
Net current assets/(liabilities)	45,709	17,700	48,566	15,948
Net assets/(liabilities)	(55,233)	(55,118)	99,974	(64,099)
Total equity attributable to owners of the Company	(55,233)	(55,118)	99,974	(64,099)
Cash and bank balances	24,604	908	10,189	1,547

(i) For the six months ended 31 December 2014

According to the IR 2014/15, the Group recorded an unaudited consolidated revenue of approximately HK$2.61 million for the six months ended 31 December 2014 (31 December 2013: approximately HK$4.44 million), representing a substantial reduction of approximately HK$1.83 million or 41.2% as compared to the six months ended 31 December 2013.

The substantial drop in revenue was primarily due to the continuing decline in the funds generated from the Group's food and beverage trading business in Hong Kong caused in part by the slack demand for quality food, which was attributed by the Company to the reduction in spending by Mainland visitors, as well as the relatively weak performance of the local economy. This drop in revenue was compensated with interest income of HK$1.96 million generated by the Group's recently established money lending business.

The Group's gross profit margin increased substantially from 3% for the six months ended 31 December 2013 to 75.8% for the corresponding period in 2014. This was primarily due to the recent establishment by the Group of its money lending business whose gross profit margin is substantially higher than that of the Group's food and beverage trading business.

Loss from operations also increased from approximately HK$1.4 million for the six months ended 31 December 2013 to approximately HK$2.8 million for the six months ended 31 December 2014, representing an increase of approximately HK$1.4 million, which was mainly due to:

- the substantial increase in administrative and operating expenses comprising primarily the pre-operating expense incurred for the establishment of a health centre, as announced by the Company in November 2014;

- reduction in gain on disposal of financial assets at fair value through profit or loss; and

- loss on reduction in fair value of financial assets through profit or loss.

(ii) For the year ended 30 June 2014

According to the AR 2013/14, the Group, further to the discontinuation of the shine and paper offering businesses subsequent to the completion of the disposal of Sea Marvel Limited in 2013, consolidated its efforts to focus on the food and beverage trading business. As a result, the Group adopted a new strategic measure to rationalise the customer mix in order to attain long-term growth and stability of the business. This caused a cutback in revenue and a reduction in the Group's gross profit in the year ended 30 June 2014 as compared to the corresponding period in 2013.

In line with the Group's objective of enhancing shareholder value by exploring potential investment opportunities to supplement its food and beverage trading business, the Group successfully obtained a Money Lenders Licence in May 2014 and entered into the money lending business. The Group's focus was on loans granted to small and medium enterprises and individuals on a small scale basis.

On 30 June 2014, the Company announced a 10-to-one share consolidation, whereby every 10 issued shares of par value of HK$0.0001 each was consolidated into 1 consolidated share of par value of HK$0.001 each. The share consolidation took effect from 12 August 2014 resulting in the authorised share capital of the Company of HK$1,000,000,000 being divided into 1,000,000,000,000 consolidated shares of HK$0.001 each, of which 110,462,472 consolidated shares were then in issue and fully paid or credited as fully paid. At the same time, the board lot size trading of the Shares on the Stock Exchange was changed from 4,000 shares to 20,000 consolidated shares with effect from 13 August 2014.

The Group posted a consolidated revenue of approximately HK$6.7 million for the year ended 30 June 2014, representing a substantial reduction of approximately HK$14.2 million or 67.8% as compared to the year ended 30 June 2013. The reduction in revenue was primarily attributable to strategic measures taken by the Group to rationalise the customer mix, which resulted in the cutback of turnover for the food and beverage business.

For the year ended 30 June 2014, the Group's gross profit margin dropped slightly from 3.6% to 3.3%. The reduction in gross profit margin mainly resulted from the measures to rationalise the Group's customer mix mentioned before.

Compared with the year ended 30 June 2013, the Group's LBITDA (Loss before interest, tax, depreciation and amortisation) from continuing operations increased significantly by approximately HK$12.7 million from approximately HK$16.9 million to approximately HK$29.6 million. This was mainly attributed to the increase in administrative and other operating expenses during the year ended 30 June 2014.

(c) Outlook

Food and Beverage trading

As mentioned in the Letter from the Board, the Group is not optimistic about the future performance of its food and beverage trading business as there have been emerging signs in Hong Kong of local sentiment turning against increasing number of Mainland visitors to the HKSAR. As the Group has generally regarded money spent by Mainland tourists in buying its products in Hong Kong as a major source of its revenue, the Group's food and beverage trading business would likely to slow down if the anti-Mainland tourists sentiment continued to grow and Mainlanders reduced their number of visits to Hong Kong as a result.

Money Lending

According to the Directors, the Group adopts a conservative approach to its lending business and only focuses on loans granted to small and medium sized enterprises and individuals on a small scale. While the Group would not openly solicit customers, all its lending business are transacted on a referral basis. As a result, a significant amount of funding to the lending business is not expected. The Group is not currently in any negotiation or discussion of possible loan agreements. However, it has tentatively set aside HK$20 million from the net proceeds of the Open Offer to enhance the flexibility and efficiency to further develop the lending business.

Operation of the health centre

This is the Group's latest business segment which was commenced in February 2015. Although the Group is relatively optimistic on the future performance of the health centre, it would take approximately one and a half years for the health centre to break even. Accordingly, the Group would tentatively set aside HK$20 million from the net proceeds of the Open Offer to cover the operational and repair and maintenance expenses of the health centre before it reaches its breakeven point.

In order for the Group to achieve financial growth and broaden its income stream, which is in line with its stated strategy of exploring potential investment opportunities to supplement its existing business activities, the Purchaser entered into the Conditional Agreements for Sale and Purchase on 29 January 2015, 18 February 2015 and 16 March 2015 respectively for acquiring, among others, 51% of the issued share capital of the Target Company, which is the legal and beneficial owner of the Land Property, at the Consideration of HK$160,650,000. Upon Completion, the Group will have 51% interest in the Land Property.

While we are no expert in the property market in Hong Kong, and hence are not in a position to predict the future rental and price trend of domestic premises in Hong Kong, we have, however, reviewed certain public information to ascertain the basis of the benefits of the Acquisition.

According to the "Hong Kong Monthly Digest of Statistics – April 2015" (the "**April Digest**") issued by the Census and Statistics Department (http://www.statistics.gov.hk/pub/B10100022015MM04B0100.pdf), the overall price indices of private domestic premises in Hong Kong increased from 206.2 in year 2012 to 256.8 in year 2014 and further increased to 291.1 in February 2015. Similarly, the April Digest reported that rental indices of private domestic premises in Hong Kong increased from 142.6 in year 2012 to 159.5 in year 2014 and further increased to 167.8 in February 2015. These figures are supported by the Rating and Valuation Department's April release of the Hong Kong Property Review Monthly Supplement (http://www.rvd.gov.hk/doc/en/statistics/full.pdf) that the price indices of all classes of private domestic dwelling increased from 242.4 in 2013 to 256.8 in 2014. As at February 2015, the price index stood at 291.1. Rental indices of all classes of private domestic dwelling also increased from 154.5 in 2013 to 159.5 in 2014, with the index stood at 167.8 as at February 2015.

As reported by newspapers (http://www.scmp.com/property/hong-kong-china/article/1668763/hong-kong-home-prices-hit-record-outlook-cloudy-pending) and online trade publication (http://www.squarefoot.com.hk/news/588/2015-property-market-forecast/), property market analysts working in the local offices of international property consultants such as Savills, Knight Frank, JLL, DTZ, CBRE and Colliers are generally of the view that luxury apartment rents and prices in the luxury end of the residential property market in Hong Kong are likely to grow in 2015, within a range of 3% to 5%.

The above information shows that there is evidence of an upward trend in both the price and rentals of luxury private domestic premises in Hong Kong, provided that there is no major and sudden shock to the property market in the future such as the imposition of the Buyer's Stamp Duty and the Special Stamp Duty. We therefore concur with the view of the Board that the Acquisition, on balance, is likely to broaden the Group's income stream through potential appreciation in value of the Land Property and/or leasing.

2. Reasons for the Open Offer

(a) Rationale for fund raising by way of Open Offer

Pursuant to the Conditional Agreements for Sale and Purchase, the Company agreed to purchase and the Vendor agreed to sell the Sale Share(s), representing 51% of the total issued share capital of the Target Company and the Sale Loan at a consideration of HK$160,650,000. As at the Latest Practicable Date, the total amount of the Sale Loan was HK$297,999,992.

The Consideration shall be settled by the Purchaser by three instalment payments in the following manner:–

(i) the Earnest Money in the sum of HK$10,000,000 which was paid on 11 December 2014 and which has been treated as a refundable deposit;

(ii) an amount of HK$10,000,000 paid on 30 January 2015 which is to be treated as further refundable deposit; and

(iii) the remaining balance of HK$140,650,000 to be satisfied by the Purchaser upon Completion by, at the Purchaser's sole discretion, payment in cash of an amount up to HK$140,650,000 and any deficit after deducting the cash payment made by the Purchaser shall be satisfied by the issuance of the Promissory Note with the principal value equivalent to such deficit amount to the Vendor or his nominee.

The remaining balance of HK$140,650,000 is intended to be settled by the proceeds from the Open Offer and if the Open Offer cannot proceed, it will be settled by the issue of the Promissory Note. If the Acquisition is completed prior to the completion of the Open Offer, the third instalment payment will be settled by the Promissory Note, which will then be repaid in full by part of the net proceeds from the Open Offer.

(b) Use of proceeds

Specifically, the gross proceeds and net proceeds of the Open Offer at the Subscription Price of HK$0.105 per Offer Share are estimated to be approximately HK$225.5 million and HK$215.6 million respectively (assuming no new Share/Consolidated Share being issued and/or repurchased by the Company on or before the Record Date). Of the net proceeds of approximately HK$215.6 million, the Company intends to apply approximately HK$140.7 million for the settlement of the third instalment payment in relation to the Acquisition and the remaining balance of HK$74.9 million for general working capital of the Group in respect of business operation.

The Company proposes to spend the amount of HK$74.9 million in the following manner: (i) HK$20 million would be tentatively applied towards the development of the Group's money lending business; (ii) HK$20 million towards the operation of the health centre; and (iii) HK$34.9 million towards general working capital purposes (including but not limited to the purchase of listed securities, investment in potential projects and financing of daily operations).

According to the Directors, the initial costs of establishing the current health centre to provide hot stone SPA and health related services were about HK$22 million. Thus, if the Acquisition is not proceeded with, the net proceeds from the Open Offer will be intended for the establishment of a maximum of six health centres in Hong Kong and the PRC.

As at the Latest Practicable Date, save for conditions (a) and (b) in the sub-section headed "Conditions precedent", none of the other conditions precedent to the Conditional Agreements for Sale and Purchase has been fulfilled. However, the Company does not foresee any obstacles in satisfying conditions precedent (d), (e) and (f) to the Conditional Agreements for Sale and Purchase. If the Acquisition is not proceeded with, the Company will consider applying net proceeds from the Open Offer towards the business activities of money lending and operation of health centre as mentioned before. The Company will publish announcement on details of use of proceeds from the Open Offer if the Acquisition is not proceeded with.

The Board considers that the Open Offer represents an opportunity for the Company to strengthen its financial position for further development of business of the Group as well as general working capital for money lending business and operation of the health centre after taking into account:

(i) the Group's historical loss-making record (in particular in view of the food and beverage trading business of the Group) and the fact that significant business turnaround of the Group is yet to occur;

(ii) limited cash generating ability from food and beverage trading business;

(iii) new business opportunities like the Acquisition, money lending business and operation of the health centre;

(iv) the Open Offer's advantage in offering all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enabling the Qualifying Shareholders to maintain their proportionate interests in the Company and participating continuously in the future development of the Company should they wish to do so;

(v) deep discount of the Subscription Price to the prevailing market price is necessary to enhance the attractiveness of the Open Offer and it is the Company's objective to encourage the participation of Qualifying Shareholders in the Open Offer;

(vi) notwithstanding the availability of alternative fund raising methods, it is prudent to finance the finance the Group's long-term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs; and

(vii) the Open Offer will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments as and when such opportunities arise.

Given the above factors, the Directors considered that the Open Offer and the use of proceeds from it (i.e. HK$140.7 million out of the net proceeds from the Open Offer which has been earmarked for the Acquisition while the remaining balance could be applied towards general working capital of the Group as described above) are in the interests of the Company and the Shareholders as a whole. In order to attract Qualifying Shareholders to invest in the Open Offer, the Subscription Price was set at a substantially deep discount to the market price of the Shares, which will result in possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe to the Open Offer.

(c) Past fund raising activities

Fund raising activities for the six months ended 31 December 2014 and the year ended 30 June 2014 included (i) a placement of 238,580,000 shares at HK$0.065 per share under general mandate in December 2014/January 2015 to raise approximately HK$14.79 million (a) for payment of deposits under the Sales and Purchase Agreement; and (b) the remaining balance was maintained at the Group's bank account; (ii) a placement of 198,830,000 shares at HK$0.132 per share under general mandate in October 2014 to raise approximately HK$25.4 million for various purposes including purchase of listed securities, granting of loans, procurement of fixed assets and payment of operating expenses; (iii) an open offer announced in June 2014 and completed in September that year on the basis of eight offer share at a subscription price of HK$0.2 for every one consolidated share held on the record date to raise HK$170.2 million for early redemption of the then outstanding convertible bonds; and (iv) a placement of 184,104,000 shares at HK$0.076 per share under general mandate in June 2014 to raise approximately HK$13.5 million for payment of operating expenses and granting of loans.

The net proceeds from the three placings described in the previous paragraph, i.e. items (i), (ii) and (iv), were used to (i) finance the operational expenses of the Group; (ii) fund the money lending business; (iii) purchase listed securities; (iv) establish the health centre; and (v) pay the Earnest Money and refundable deposit in relation to the proposed Acquisition. The proceeds from the open offer in July 2014, on the other hand, were used specifically for early redemption of the entire outstanding balance of the convertible bonds. In the Directors' view, with which we share, the net proceeds from the above-mentioned three placings and the open offer were all used for legitimate purposes determined after detailed discussions between the Company and its financial advisers at the time and hence, would not impact on the proposed Open Offer.

Apart from the Open Offer, the Company has no concrete plans for any future fund raising activities at the moment, but would not rule out any future fund raising exercises when market conditions warrant it. In order to timely capture any potential investment opportunities, the Company intends to refresh the general mandate to reflect the actual number of shares to be allotted as a result of the Open Offer, which would authorise the Directors to issue and allot up to 20% of the aggregate nominal amount of the enlarged issued share capital subsequent to the completion of the Open Offer.

For the reasons set out below in sub-section headed "3. The choice of Open Offer over other alternatives', which includes our analysis on why the choice of Open Offer is to be preferred to other fund raising alternatives as well as in sub-section headed "4. Principal terms of the Open Offer", which contains our assessment of (i) the fairness and reasonableness of the Subscription Price; and (ii) the dilution effect on the interests of the Independent Shareholders, we are of the view that, on balance, the terms of the Open Offer are fair and reasonable and in the interest of the Company and Shareholders as a whole. Also, given the Group's relatively poor financial performance over the past few years and its stated objective of trying to enhance shareholder value by exploring potential investment opportunities to supplement its food and beverage trading business, we are further of the view that HK$34.9 million of the proceeds from the Open Offer to be applied for working capital is on balance not excessive, hence acceptable.

3. The choice of Open Offer over other alternatives

According to the Directors, the cash and bank balances as shown in the Group's management accounts as at 31 March 2015 were approximately HK$3.6 million. There is an imminent need for the Company to raise additional funds to meet its funding requirements. The Directors confirmed that, after considering other fund raising methods such as bank borrowing, share placements and rights issue, they had decided to settle on raising finance by way of open offer for the following reasons:

(a) Debt Financing

Bank borrowings or debt financing would result in an additional interest burden on the Group and may not be achievable on favourable terms or on a timely basis, due to the possibility of the Company being subject to lengthy due diligence and negotiation processes with banks. Moreover, banks are likely to impose restrictive conditions on the loans which may adversely affect the borrower's flexibility in business operations. Such conditions may include, without limitation, stipulation of adequate security to be provided by the borrower, provision of personal guarantees on the part of the borrower's substantial shareholders, limited purposes for using the loans and other restrictive covenants.

(b) Share placement

A placement of new Shares to independent third parties (a) would not offer the existing Shareholders the first opportunity to share the results of the Company and maintain their respective pro-rata shareholding in the Company; and (b) would immediately dilute the shareholding of the existing Shareholders.

(c) Open offer versus rights issue

As a fund raising method, both open offer and rights issue would (i) offer all the Shareholders an equal opportunity to subscribe for their pro-rata provisional entitlement of the Offer Shares and hence avoid dilution; and (ii) allow the Company to strengthen its capital base and liquidity without incurring interest costs and increasing its gearing ratio.

However, the main difference between them is that rights issue enables the Shareholders to trade in nil-paid rights which would cause the Company to incur additional administrative costs and expenses in setting up appropriate trading arrangement, including the preparation, printing, posting of excess application forms and making arrangements with its share registrar for trading. Such additional costs would certainly lower the total amount of net proceeds which might otherwise be raised. Moreover, the Company would have to spend more time to review the relevant documents, and liaise with the parties involved such as the Registrar, the Underwriter, financial printer and other professional advisers. Finally, in view of the relatively inactive historical trading volume of the Shares (as discussed below under the sub-section with the italicised heading "(b) Historical trading volume"), there is uncertainty of the existence of a market to trade the nil-paid entitlements associated with a rights issue of the Company, and uneconomical trading cost may be incurred by a qualifying shareholder.

In addition, with HK$74.9 million of the net proceeds of the Open Offer intended to be used for the Group's working capital, which has been earmarked for specific uses, the Board considers that it is necessary to minimise incidental costs which may be incurred during the fund raising exercise in order to prevent any unnecessary dissipation of funds.

The above-mentioned advantages of using open offer as a fund-raising method, when balanced against the extra administrative costs incurred and time involved in using rights issue as a fund-raising method together with the uncertainty in the existence of a market for the trading of nil-paid rights, lead the Directors to the view that raising funds by way of the Open Offer is a better option than the rights issue, and that the Open Offer is in the interests of the Company and the Shareholders as a whole. However, Qualifying Shareholders who do not wish to take up the Offer Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

Taking into account that (i) debt financing and bank borrowing will cause the Group to incur additional interest burden; (ii) any placing of new Shares without first offering the existing Shareholders the opportunity to participate in the Company's equity raising exercise would result in dilution of shareholding of the existing Shareholders; (iii) the Open Offer will enable the Shareholders to maintain their proportionate interests in the Company should they so wish; and (iv) the uncertain existence of a market to trade the nil-paid entitlements and uneconomical trading cost may be incurred by a Qualifying Shareholder, we are of the view that fund raising by way of the Open Offer is an acceptable and equitable means for the Company to raise new capital, while avoiding high transaction and interest costs, and is in the interests of the Company and the Independent Shareholders as a whole.

4. Principal terms of the Open Offer

(a) The basis

Subject to the Share Consolidation becoming effective, the Company proposes to raise approximately HK$225.5 million (before expenses) by way of an open offer of 2,147,358,360 Offer Shares at a subscription price of HK$0.105 per Offer Share on the basis of thirty (30) Offer Shares for every one (1) Consolidated Share held on the Record Date.

(b) Subscription price

The Subscription Price of HK$0.105 per Offer Share, payable in full upon application for the Offer Shares and, where applicable, application for excess Offer Shares under the Open Offer by a Qualifying Shareholder.

The Subscription Price of HK$0.105 per Offer Share represents:

(i) a discount of approximately 92.9% to the closing price of HK$1.48 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation;

(ii) a discount of approximately 92.8% to the average of the closing prices of approximately HK$1.464 per Consolidated Share for the last five consecutive trading days up to and including the Last Trading Day and adjusted taking into account the effect of the Share Consolidation; and

(iii) a discount of approximately 29.7% to the theoretical ex-entitlement price of approximately HK$0.1494 per Consolidated Share (assuming there is no new Shares/Consolidated Shares issued by the Company and there is no Shares/Consolidated Shares being repurchased by the Company from the Latest Practicable Date up to the Record Date) based on the closing price of HK$0.074 per Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation.

As stated in the Letter from the Board, the Subscription Price was a commercial decision and was determined after arm's length negotiations between the Company and the Underwriter with reference to (i) the prevailing market price of the Shares prior to the Last Trading Day and the theoretical ex-entitlement price; and (ii) the net loss of the Group for the four consecutive financial years since 2011.

The executive Directors were of the view that given the current market price of the Shares and financial performance of the Group, in order to enhance the attractiveness of the Open Offer, new shares should be issued at a discount to the market price (which has been commonly adopted by listed issuers in Hong Kong), and the purpose of such discount would be to encourage existing shareholders to take up their entitlements so as to participate in the potential growth of the listed issuers in the future. Furthermore, since the Open Offer would allow the Qualifying Shareholders to maintain their pro-rata shareholdings in the Company, the executive Directors consider that the terms of the Open Offer are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of the Open Offer and Subscription Price

As discussed with the Directors, the following factors have been taken into account in determining the Open Offer structure including the number of shares offered for each existing Share and the discount of the Subscription Price:

(i) the existing cash position of the Group and the funding requirements of the Group to, among others, meet the balance of the Consideration;

(ii) the thin liquidity in the trading of Shares and the historically unsatisfactory financial performance of the Group with a continuously loss making position; and

(iii) the setting of the Subscription Price must be at a sufficiently deep discount to the prevailing market price to enhance the attractiveness of the Open Offer to the Shareholders; and

Also, regard was had to the following factors: (i) tight cash position of the Group; (ii) proposed use of proceeds from the Open Offer, i.e. settle the balance of the Consideration, develop the money lending business and operate the health centre, will enhance the Group's financial position and strengthen its capital base; (iii) the Open Offer will provide the Group with readily available funds and financial flexibility to meet its financial needs for existing business and in pursuing business development; and (iv) the Open Offer represents the most commercially viable, fair and reasonable option considered by the Company.

The Subscription Price of HK$0.105 per Offer Share was set at substantial discount of approximately 92.9% to the closing price of HK$1.48 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted taking into account the effect of the Share Consolidation because there is thin liquidity in the trading of Shares and the historically unsatisfactory financial performance of the Group with a continuously loss making position. Furthermore, assuming the amount of fund raising from the Open Offer is maintained at approximately HK$215.6 million, in the event that the subscription ratio was set at a lower proportion (e.g. 20 Offer Shares for every one Consolidated Share), the subscription price of any open offer would have to be higher than the Subscription Price and such discount of the Subscription Price to the prevailing market price of the Shares cannot be maintained and be available to the Qualifying Shareholders.

Taking note of (i) the low price and the thin trading liquidity of the Shares (details are set out below under the italicised sub-section headed "(i) Historical performance of the Shares"); (ii) persistent loss making position of the Group; and (iii) the need to enhance attractiveness of the Open Offer to the Qualifying Shareholders and the Underwriter, we consider that the proposed discount of the Subscription Price to the prevailing market price of the Share to be appropriate.

Assessment of the Subscription Price

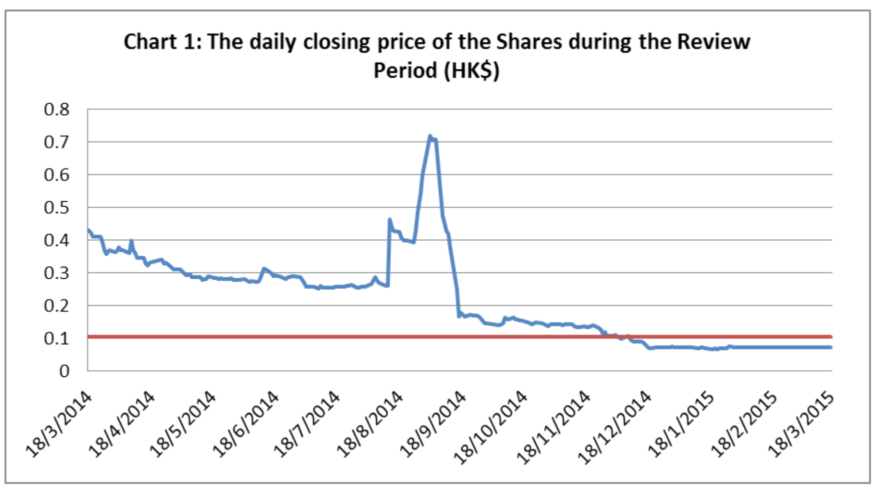
In order to assess the fairness and reasonableness of the Subscription Price, we have compared the Subscription Price with reference to: (i) the historical performance of the Shares in terms of (a) closing price and (b) trading volume for a 13-month period from 18 March 2014 to 17 March 2015, which was the date of the Underwriting Agreement, (the "**Review Period**"); and (ii) the market comparable analysis. Our findings are set out below:

(i) Historical performance of the Shares

(a) Historical closing prices

We consider that the length of the Review Period to be reasonably long enough to capture the recent price movements of the Shares so that a reasonable comparison between the closing price and the Subscription Price can be conducted.

Chart 1 below shows the daily movement in the closing prices of the Shares versus the Subscription Price during the Review Period.



Source: website of the Stock Exchange (www.hkex.com.hk)

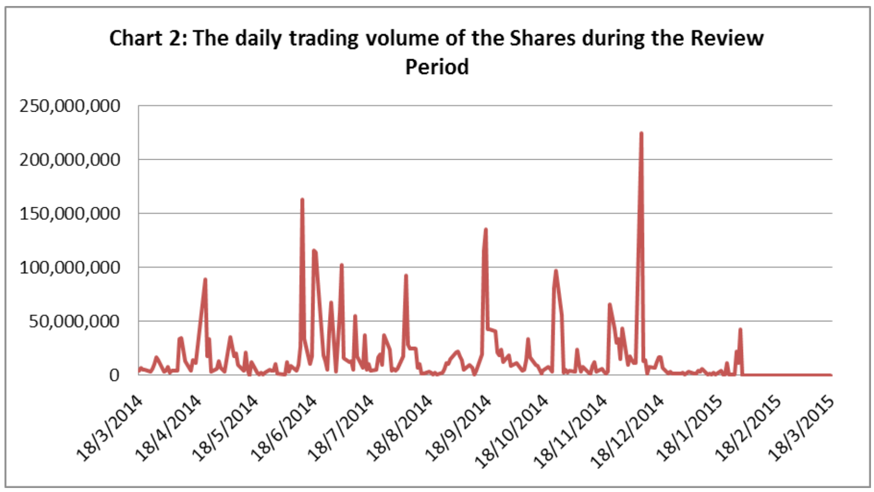
The lowest and highest closing prices of the Shares, as quoted on the Stock Exchange, in this 13-month period were HK$0.068 per Share on 19 and 21 January 2015 and 0.72 per Share on 2 September 2014 respectively. The average daily closing price of the Shares during the Review Period was approximately HK$0.2214 per Share.

The highest closing price, the average daily closing price and the lowest closing price would be HK$14.40, HK$4.30 and HK$1.36 respectively based on the adjusted price of the Shares after taking into account the effect of the Share Consolidation. The Subscription Price represents (i) a discount of approximately 99.3% to the adjusted highest closing price; (ii) a discount of approximately 97.63% to the adjusted average daily closing price; and (iii) a discount of approximately 92.3% to the adjusted lowest closing price during the Review Period.

As discussed in the italicised sub-section headed "(ii) Comparison with other open offers" below, we note that it is a common market practice that, for the purpose of increasing the attractiveness of and encouraging shareholders to participate in open offers, the subscription price is normally set at a discount to the prevailing market prices of the relevant shares.

(b) Historical trading volume

Chart 2 below sets out the daily trading volume of the shares quoted on the Stock Exchange during the Review Period.



Source: website of the Stock Exchange (www.hkex.com.hk)

As shown in Chart 2, the trading volume of Shares was thin during the Review Period with the average daily trading volume at approximately 16,006,527 shares, representing approximately 1.12% of the issued share capital of the Company as at the Latest Practicable Date.

Noting that the trading of the Shares has been illiquid in the open market and that the Group has been loss-making in the past few years, and recorded net liabilities as at 30 June 2014, 31 December 2013 and 30 June 2013, we concur with the Directors' belief that setting a discount to the historical closing prices of the Shares would enhance the attractiveness of the Open Offer and encourage the Qualifying Shareholders to reinvest in the Company through the Open Offer.

(ii) Comparison with other open offers

To further assess the fairness and reasonableness of the Subscription Price, we have reviewed all the proposed open offers announced by companies listed on the Stock Exchange in a period of seven months from 18 August 2014 to 17 March 2015, i.e. the date of the Underwriting Agreement (the "**Comparable Period**"), and identified an exhaustive list of 27 proposed open offers (the "**Comparables**") announced during the Comparable Period.

We consider that a review period of seven calendar months prior and up to the date of the Underwriting Agreement is appropriate to capture the recent market practice in terms of open offers because the Comparables, notwithstanding that they are different from the Company as regards their business operations, financial positions and future prospects, are considered for the purpose of taking a general reference for the recent market practice in relation to the offer price under other proposed open offer as compared to the relevant prevailing market share prices under the recent market conditions and sentiments. Furthermore, there are 27 Comparables in the 7-month Comparable Period, which represents a reasonable number of Comparables for the purpose of comparison. Accordingly, we are of the view that the Comparable Period sets an appropriate basis for our analysis and that the Comparables represent fair and representative samples.

Table 1: Comparison of open offers between 18 August 2014 and 17 March 2015

Announcement date	Stock code	Name of Company	Basis	Subscription price *(HK$)*	Closing price as quoted on the Stock Exchange on the last trading day of the open offer conducted *(HK$)*	Discount of subscription price over/(to) the closing price on the respective last trading day *(%)* *(Note 1)*	Theoretical ex-rights/ entitlement price *(HK$)* *(Note 1)*	Discount of subscription price over/(to) the theoretical ex-entitlement price *(%)* *(Note 2)*	Possible maximum dilution effect on shareholding *(%)*	Underwriting Commission *(%)*	Market capitalisation as at the date of the respective announcement for the rights issue/open offer *(HK$)*	Approximate estimated net proceeds *(HK$ million)*	Principle activities
2014-09-02	1102	Enviro Energy International Holdings Limited	1 for 2	0.02	0.133	84.96	0.095	79.02	33.33	1.5	464,641,618	33.4	The Group is principally engaged in (i) Exploration, development and production of CBM and natural gas. (ii) Marble rock mining. (iii) Exploration, development and production of petroleum. (iv) Information technology related services.
2014-09-12	8165	Jian ePayment Systems Limited	1 for 2	0.05	0.079	36.71	0.069	27.54	33.33	2.0	101,957,400	30.6	The principal activities of the Group is development and operation of integrated circuit and smart cards, back end electronic receipt/payment and data recording and processing software system; and manufacturing and distribution of the associated commercial application.
2014-09-15	1201	Kith Holdings Limited	1 for 2	0.69	0.7	1.43	0.69	–	33.33	0.1	183,017,520	89.5	The Group is principally engaged in (i) printing and manufacturing of packaging products (the "Packaging Printing Business") and (ii) distribution of television business-related products and distribution of other electronic and related products (the "Distribution Business").
2014-09-23	789	Artini China Co. Ltd. *(Note 3)*	3 for 1	0.1	0.454	77.97	0.1885	46.90	75.00	1.0	280,871,713	183.0	The Group is principally engaged in the design, manufacture, retailing and distribution and concurrent design manufacturing ("CDM") of fashion accessories.

Announcement date	Stock code	Name of Company	Basis	Subscription price *(HK$)*	Closing price as quoted on the Stock Exchange on the last trading day of the open offer conducted *(HK$)*	Discount of subscription price over/(to) the closing price on the respective last trading day *(%)* *(Note 1)*	Theoretical ex-rights/entitlement price *(HK$)* *(Note 1)*	Discount of subscription price over/(to) the theoretical ex-entitlement price *(%)* *(Note 2)*	Possible maximum dilution effect on shareholding *(%)*	Underwriting Commission *(%)*	Market capitalisation as at the date of the respective announcement for the rights issue/open offer *(HK$)*	Approximate estimated net proceeds *(HK$ million)*	Principle activities
2014-09-24	1001	Van Shung Chong Holdings Limited	1 for 2	0.5	1.36	63.24	1.073	53.42	33.33	2.0	573,260,741	99.8	The VSC Group is principally engaged in stockholding and trading of construction materials such as steel products, sanitary wares, kitchen cabinets, home furniture and plastic resins, installation work of kitchen cabinets and property investment.
2014-10-09	723	Sustainable Forest Holdings Limited *(Note 3)*	1 for 6 (17 bonus shares for 1 offer share)	0.017	0.133	86.63	0.047	61.85	75.00	2.5	296,177,864	117.9	The principal activities of the subsidiaries of the group comprise sustainable forest management; manufacturing and sales of timber products including but not limited to wooden door, furniture and wooden floor panels; leasing of properties and travel and travel related business.
2014-10-24	1191	Yueshou Environmental Holdings Limited	1 for 1	0.1	0.221	54.75	0.1605	37.69	50.00	2.0	331,077,153	145.71	The principal activity of the Company is investment holding. Its subsidiaries and associates are principally engaged in property development in the People's Republic of China (the "PRC") and tree plantation operations in the Philippines respectively.
2014-10-24	197	Heng Tai Consumables Group Limited	1 for 5	0.07	0.112	37.50	0.105	33.33	16.67	–	611,002,100	75.6-79.9	The group is principally engaged in the sale and trading of packaged foods, beverages, household consumable products, cosmetic products and cold chain products; cultivation, sale and trading of fresh and processed fruits and vegetables; and provision of logistics services.
2014-10-24	8082	Sage International Group Limited	2 for 1	0.2	0.465	56.99	0.2883	30.63	66.67	2.0	82,597,392	69.18	The group's operations are managed across three main areas: cemeteries, funeral services, and preneed funeral plans.
2014-10-27	8116	China Fortune Investments (Holding) Limited	2 for 1	0.1	0.239	58.16	0.1463	31.65	66.67	3.0	148,945,320	119.0	The Group is principally engaged in hospital data evaluation analytics, hospital information technology system for medical data acquisition, processing and application system, mining of mineral resources and accessories in PRC, radio trunking systems integration and provision of telemedia-related and other value-added telecommunication related technical services.
2014-11-07	1312	Allied Cement Holdings Limited	1 for 2	1.5	3.15	52.38	2.6	42.31	33.33	2.5	2,079,000,000	487.3	The Group is engaged principally in the manufacture and sales of cement, clinker and slag, trading of cement and provision of technical services with operations in Shandong province and Shanghai in the PRC.

Announcement date	Stock code	Name of Company	Basis	Subscription price *(HK$)*	Closing price as quoted on the Stock Exchange on the last trading day of the open offer conducted *(HK$)*	Discount of subscription price over/(to) the closing price on the respective last trading day *(%)* *(Note 1)*	Theoretical ex-rights/ entitlement price *(HK$)* *(Note 1)*	Discount of subscription price over/(to) the theoretical ex-entitlement price *(%)* *(Note 2)*	Possible maximum dilution effect on shareholding *(%)*	Underwriting Commission *(%)*	Market capitalisation as at the date of the respective announcement for the rights issue/open offer *(HK$)*	Approximate estimated net proceeds *(HK$ million)*	Principle activities
2014-11-11	370	China Best Group Holding Limited	1 for 2	0.15	0.249	39.76	0.216	30.56	33.33	2.5	726,579,720	211.99	The Group is principally engaged in manufacture and sales of coal, international air and sea freight forwarding and the provision of logistics services as well as trading of securities.
2014-11-17	1178	Vitop Bionenergy Holdings Limited	1 for 2	0.1	0.53	81.13	0.387	74.16	33.33	3.5	884,256,212	80.0	The principal activities of its subsidiaries are manufacturing and trading of multi-functional water generators, BIOenergy® products, healthcare food products and other healthcare products in the People's Republic of China, excluding Hong Kong and Macau.
2014-11-21	166	New Times Energy Corporation Limited	1 for 2	0.17	0.365	53.42	0.3	43.33	33.33	2.5	505,533,758	113.9	The Group is principally engaged in: (i) the trading of oil products and nonferrous metals; (ii) exploration of crude oil; and (iii) oil exploration and production.
2014-11-25	905	Mastermind Capital Limited	1 for 2	0.45	0.52	13.46	0.497	9.46	33.33	3.5	162,104,072	67.34-67.6	The Group principally invests in listed and unlisted companies in Hong Kong and in other parts of the PRC.
2014-12-07	938	Man Sang International Limited	1 for 2	0.638	0.72	11.39	0.693	7.94	33.33	1.5	958,756,187	420.5	The Group is principally engaged in the (i) purchasing, processing, assembling, merchandising and wholesale distribution of pearls and jewellery products; and (ii) development, sales and leasing of properties.
2014-12-15	913	Unity Investments Holdings Limited *(Note 3)*	4 for 1	0.16	0.73	78.08	0.274	41.61	80.00	2.5	424,937,089	362.0	The Group remains principally engaged in listed investments in Hong Kong, other main stock markets around the world, and in unlisted companies as well.
2014-12-16	2331	Li Ning Company Limited	5 for 12	2.6	3.33	21.92	3.21	19.00	29.41	2.5	4,775,312,161	1,513.03	The Group is principally engaged in brand development, design, manufacture, sale and distribution of sport-related footwear, apparel, equipment and accessories in the People's Republic of China (the "PRC").
2014-12-18	36	Far East Holdings International Limited	1 for 2	0.3	0.73	58.90	0.587	48.89	33.33	2.5	391,727,535	76.97	The principal activities of the group is manufacturing and sales of garment products, property investment and securities investment.
2014-12-18	1141	Mission Captial Holdings Limited	1 for 2	0.1	0.113	11.50	0.1087	8.00	33.33	2.5	483,453,607	209.16	The Group is engaged in the businesses of supply and procurement of metal minerals, pharmaceutical products, provision of finance and securities investment.

Announcement date	Stock code	Name of Company	Basis	Subscription price *(HK$)*	Closing price as quoted on the Stock Exchange on the last trading day of the open offer conducted *(HK$)*	Discount of subscription price over/(to) the closing price on the respective last trading day *(%)* *(Note 1)*	Theoretical ex-rights/entitlement price *(HK$)* *(Note 1)*	Discount of subscription price over/(to) the theoretical ex-entitlement price *(%)* *(Note 2)*	Possible maximum dilution effect on shareholding *(%)*	Underwriting Commission *(%)*	Market capitalisation as at the date of the respective announcement for the rights issue/open offer *(HK$)*	Approximate estimated net proceeds *(HK$ million)*	Principle activities
2015-01-16	310	Prosperity Investment Holdings Limited	1 for 2	0.17	0.238	28.57	0.2153	21.04	33.33	3.0	169,586,138	57.5	The principal activities of the Group are the holding of equity or equity-related investments and the provision of management services to these investee companies.
2015-02-04	860	Ming Fung Jewellery Group Limited *(Note 3)*	2 for 1	0.3	0.71	57.70	0.44	31.82	66.67	0.5	580,252,495	487.2	The principal activities of The Group are exports and domestic trading, retail and wholesale of jewellery products, writing instruments and watches and mining.
2015-02-05	8192	Global Energy Resources International Group Limited	1 for 2	0.1	0.154	35.06	0.136	26.47	33.33	2.5	394,080,764	123.78	The Group is principally engaged in the manufacturing and sales of environmentally friendly air-conditioners and related products, and the provision of information technology and engineering consultancy services.
2015-02-06	1166	Solartech International Holdings Limited *(Note 3)*	5 for 1	0.2	0.66	69.70	0.277	27.80	83.33	2.5	124,730,357	182.0	The Group is principally engaged in the manufacture and trading of cables and wires, manufacture and trading of copper rods, and holding of mining right and exploration and evaluation assets.
2015-02-06	1019	Convoy Financial Holdings Limited	3 for 1	0.25	0.87	71.26	0.405	38.27	75.00	3.5	534,809,880	441.0-501.0	Established in 1993 and listed on the Hong Kong Stock Exchange in 2010, Convoy Financial Holdings Limited is Hong Kong's largest listed independent financial adviser (IFA) with financial planning, insurance, asset management, MPF, and operations in Hong Kong, Macau and China.
2015-02-25	185	Heng Fai Enterprises Limited	1 for 10	0.1	0.113	11.50	0.112	10.60	9.09	2.5	413,089,260	36.0	The principal activities of the Group include investment holding, property investment and trading, hotel operations, securities trading and investment, treasury investment, property development and financing business.
2015-03-13	2324	Capital VC Limited *(Note 3)*	7 for 1	0.25	1.07	76.64	0.35	28.57	87.50	1.0	209,320,264	337.7-355.3	The principal activity of the Group is investing in listed and unlisted companies mainly in Hong Kong and the People's Republic of China (the "PRC").
		Average	–	–	–	49.29	–	33.77	46.21	2.1	625,595,493		
		Minimum	–	–	–	1.43	–	–	9.09	–	82,597,392		
		Maximum	–	–	–	86.63	–	79.02	87.50	3.5	4,775,312,161		
		Median	–	–	–	54.75	–	31.65	33.33	2.5	413,089,260		
		The Company *(Note 3)*	**30 for 1**	**0.105**	**1.48**	**92.91**	**0.1494**	**29.72**	**96.77**	**3.0**	**105,936,346**	**215.6**	**The Group's principal business activities are food and beverage trading, money lending and operation of health centre.**

Notes:

1 Based on the figures disclosed in the initial announcement of the Open Offer Comparables respectively.

2 Maximum dilution effect of each open offer is calculated as: (number of new shares to be issued under the basis of entitlement)/(number of existing shares held for the entitlement for the new shares under the basis of entitlement + number of new shares to be issued under the basis of entitlement) x 100%.

3 The subscription price, the closing price per Share and the theoretical ex-entitlement price have been adjusted for the effect of share consolidation and/or capital reorganisation.

As can be seen from Table 1, subscription prices of the Comparables were set at a discount to their respective closing price per share on the last full trading day on/prior to the date of release of the relevant announcements within a range from approximately 1.43% to approximately 86.63%, with an average discount of approximately 49.3% and a medium discount of approximately 54.75%. The discount of approximately 92.91%, as represented by the Subscription Price of the Open Offer to the closing price of the Shares on the Last Trading Day (the "**Closing Price Discount**"), falls outside this discount range and higher than the average discount of the Comparables.

Comparison has been made between the Closing Price Discount with that of three Comparables whose subscription prices to the closing prices of their respective last trading days were at a discount of over 80%. The three Comparables were (i) Sustainable Forest Holdings Limited ("**Sustainable Forest**") (approximately 86.63% discount); (ii) Enviro Energy International Holdings Limited ("**Enviro**") (approximately 84.96% discount); and (iii) Vitop Biochemistry Holdings Limited ("**Vitop**") (approximately 81.13% discount).

According to the respective annual reports of Sustainable Forest, Enviro and Vitop, all of these three companies suffered consecutive losses for the financial years of 2012, 2013 and 2014. Sustainable Forest, for example, made losses of approximately HK$490.13 million in 2014, HK$326.6 million in 2013 and HK$2,328 million in 2012. The Company's losses, on the other hand, were approximately HK$50.32 million in 2014, HK$40.62 million in 2013 and HK$1,050 million in 2012. However, unlike the Company, Sustainable Forest had net assets of approximately HK$58.8 million in 2014, HK$517 million in 2013 and HK$875.4 million in 2012 while the Company had net liabilities of approximately HK$55.23 million in 2014, HK$55.12 million in 2013 and HK$87 million in 2012

As for Enviro, it made a loss of approximately HK$84.43 million in 2014, a profit of approximately HK$20.72 million in 2013 and a loss of approximately HK$73.42 million in 2012. It had net assets of approximately HK$915.26 million in 2014, HK$996.32 million in 2013 and HK$1,056.6 million in 2012. Vitop's losses were approximately HK$25.47 million in 2014, HK$14.6 million in 2013 and HK$20 million in 2012. It also had net assets of approximately HK$113 million in 2014, HK$107 million in 2013 and HK$119.5 million.

Given the Company's financial position is worse than that of the three Comparables, the setting of the Subscription Price at a substantial discount to the prevailing market price of over 87% is required to increase attractiveness of the Open Offer, and provide incentive to Shareholders to participate in the Open Offer to take up their own entitlement as well as induce the Underwriter to participate in the underwriting of the Open Offer. As a result, we consider that the extent of the Closing Price Discount to be justifiable.

The discount represented by the subscription prices to the theoretical ex-entitlement prices per share of the shares of the Comparables, on the other hand, ranged from approximately 79.02% to 0%, with an average discount of approximately 33.77% and a median discount of approximately 31.65%. The discount of approximately 29.72%, as represented by the Subscription Price of the Open Offer to the theoretical ex-entitlement price of the Shares on the Last Trading Day (the "**Ex-entitlement Price Discount**") falls within this range and is lower than the average discount of the Comparables.

Shareholding dilution effect of the Open Offer

As the Open Offer is offered to all Qualifying Shareholders on the same basis, the Qualifying Shareholders will be able to maintain their proportionate shareholding interests in the Company if they take up in full their respective assured entitlements under the Open Offer. Any Qualifying Shareholders who choose not to take up in full their assured entitlements will have their shareholdings in the Company diluted, as shown in Table 1, by up to a maximum of approximately 96.77%.

In all cases of open offers, the dilution on the shareholding of those shareholders who do not take up in full their assured entitlement under the open offers is inevitable. In fact, the dilution magnitude of any open offers depends mainly on the extent of the basis of entitlement under such exercise since the higher offering ratio of new shares to existing shares is the greater the dilution on the shareholding would be.

Having taken into account the following factors: (i) the funding needs as abovementioned in the sub-section headed "Reasons for the Open Offer"; (ii) the Open Offer will enable the Company to enhance its financial position through strengthening its capital base; (iii) the Open Offer will also provide the Group with readily available funds to further develop and expand its business activities and provide the Group with resources to meet the financial needs to maintain its existing operations; (iv) the financial position of the Group with net liabilities and persistent loss-making position. In order to enhance the attractiveness of the Open Offer, a relatively deep discount of the Subscription Price will be necessary. Likewise to raise sufficient funds at relatively deep discount of the Subscription Price with a view to providing incentive to the Qualifying Shareholders and the Underwriter to participate in the Open Offer, a large scale of Open Offer will be required; (v) under the Open Offer, all the Qualifying Shareholders will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Company. Should the Qualifying Shareholders participate in the Open Offer, they will be subscribing the Offer Shares at a lower price as compared to the historical and prevailing market price of the Shares; (vi) inherent dilutive nature of open offer in general; and (vii) the Qualifying Shareholders have their choice whether to accept the Open Offer or not, we are of the view that such potential dilution of the Open Offer on the shareholding of the Shareholders is justifiable.

(c) The Underwriter and the sub-underwriters

According to the Letter from the Board, the Underwriter acted as the sub-underwriter to the open offer as disclosed in the Company's announcement dated 30 June 2014. The Company did not consider engaging other underwriters in addition to the Underwriter because the latter could offer the Company an appropriate structure for the Open Offer after taking into account the following factors: (i) Open Offer being fully underwritten; (ii) the amount and size of the gross proceeds of the Open Offer; (iii) the underwriting commission which accords with the market practice; (iv) thin liquidity in the trading of Shares and the historically unsatisfactory financial performance of the Group with a continuously loss making position; and (v) the interests of time. Given the Company's poor financial position and inactive trading of the Shares, it will be difficult for the Company to find other underwriter(s) to underwrite the Open Offer. We therefore concur, on balance, with the Company's view that the engagement of the Underwriter in respect of the Open Offer is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Upon inquiring with the Company, we understand that each of the 18 sub-underwriters and their respective beneficial owners (if applicable) are Independent Third Parties. The sub-underwriters are either:

(i) licensed corporations which carry out Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (the "**SFO**"), namely, Sun International Securities Limited ("**Sun International**"), Pico Zeman Securities (HK) Limited ("**Pico Zeman**"), China Times Securities Limited ("**China Times"**), South China Securities Limited ("**South China**"), Sanfull Securities Limited ("**Sanfull**") and HEC Securities Limited;

(ii) individuals who have a net worth of over HK$ 8 million, which is the amount of subscription money needed for the subscription of the Offer Shares, namely, Choi Ka Wing and Alexia Joulian;

(iii) "professional investor(s)" as the term is defined under the SFO having, among others, sufficient financial resources to sub-underwrite, namely, Kwong Kai Sing Benny, Pak William Eui Won, Au Yueng Kai Wah, Yu Man Fung Alice, Wong Ying Seung Asiong, Yao Man Yi and Lam Suk Ping; or

(iv) subsidiaries of listed companies in Hong Kong, namely, Pearl Decade Limited (subsidiary of Willie International Holdings Limited (stock code: 273)), Genius Spring Limited (subsidiary of Qualipak International Holdings Limited (stock code: 1332)) and Main Purpose Investments Limited (subsidiary of China Jinhai International Group Limited (stock code: 139)).

Given the background of the sub-underwriters, in the event that they are called upon pursuant to their sub-underwriting obligations, to subscribe for or procure subscribers of any of the Underwritten Shares, they should be able to meet their sub-underwriting obligations. Moreover, the Underwriters will ensure that none of the subscribers of the Underwritten Shares will hold 10% or more of the issued share capital of the Company immediately after completion of the Open Offer and thus become a substantial Shareholder (as defined in the Listing Rules) of the Company as a result of such subscription.

It should also be noted that one of the conditions precedent to the Underwriting Agreement is "the procurement of one or more sub-underwriter(s) by the Company who are acceptable to the Underwriter, to sub-underwrite Offer Shares in aggregate with the value of not less than HK$50 million on terms acceptable to the Underwriter no later than the date on which the EGM is held". Such condition was requested by the Underwriter for the purpose of balancing the risk of its underwriting commitment, and the Company agreed to it. In order to fulfill such condition, the Company has approached five underwriters (i.e. Sun International, Pico Zeman, China Times, South China and Sanfull. The first four sub-underwriters are known to the Company by reason of the open offer announced in June 2014, and Sanfull was introduced to the Company through personal contact of its management) in the market and referred them to the Underwriter as the sub-underwriters. The Underwriter found the five sub-underwriters to be acceptable and therefore approached all of them for the Open Offer. For the reasons stated in previous paragraphs, we are of the view that the use of the sub-underwriters are, on balance, fair and reasonable.

(d) The underwriting Commission

Pursuant to the Underwriting Agreement, the Company will pay the Underwriter an underwriting commission of 3% of the Subscription Price (the "**Commission Rate**") multiplied by the amount of Offer Shares payable upon execution of the Underwriting Agreement.

As mentioned in the Letter from the Board, the terms of the Underwriting Agreement and the Commission Rate were determined after arm's length negotiations between the Company and the Underwriter by reference to the market rate, existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Directors considers that the terms of the Underwriting Agreement (including the Commission Rate) are fair and reasonable so far as the Independent Shareholders are concerned.

To assess the fairness and reasonableness of the Commission Rate, we refer to above Table 1 which shows, among other things, that the Commission Rate of 3% falls within the range of commission rates of other open offers in the Comparable Period (i.e., between 3.5% and 0.1%). Furthermore, the Commission Rate, as mentioned before, was determined after arm's length negotiation between the Company and the Underwriters. For these reasons, we consider that the Commission Rate to be in line with market practice, and is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

(e) Application for excess Offer Shares

As stated in the Letter from the Board, Qualifying Shareholders will have the right to apply for any Offer Shares in excess of their own entitlement under the EAFs in relation to the Open Offer but are not assured of being allocated any Shares in excess of those in their own entitlement.

The Directors will allocate the excess Offer Shares (if any) at their discretion, but on a fair and equitable basis, to the Qualifying Shareholders who have applied for excess Offer Shares on a pro-rata basis with reference to the number of excess Offer Shares applied for. No preference will be given to topping-up odd lots to whole board lots to avoid such mechanism being abused.

Shareholders who have been offered odd lots of the Offer Shares should note that there is no guarantee that such odd lots of the Offer Shares will be topped up to create whole board lots pursuant to applications for the excess Offer Shares. Any Offer Shares not applied for by the Qualifying Shareholders will be taken up by the Underwriter and sub-underwriter(s).

Having reviewed a number of recent open offer/rights issue transactions performed by other companies listed on the Stock Exchange, we are not aware that the above allocation arrangement is unusual and consider that it is in line with normal market practice.

5. Possible financial effects of the Open Offer

Adjusted net assets:–

Based on the information set out in Appendix II of the Circular ("**Appendix II**"), the Group's financial position would turn from the unaudited consolidated net tangible assets of approximately HK$62.6 million as at 31 December 2014 to the unaudited pro forma adjusted consolidated net tangible assets of approximately HK$278.19 million as at 31 December 2014 as a result of the completion of the Open Offer and receipt of an estimated net proceeds of approximately HK$215.6 million from the Open Offer.

According to Appendix II, immediately after completion of the Open Offer, the unaudited pro forma adjusted consolidated net tangible assets per Share of the Group would be approximately HK$0.057. This is the result of dividing the Group's unaudited pro forma adjusted consolidated net tangible assets as at 31 December 2014 for the Open Offer of approximately HK$127,500,000 (after taking into account the settlement amount for the Acquisition i.e. approximately HK$140.7 million and estimated related expenses of approximately HK$9.9 million) by 2,218,936,972 Shares, which comprise 71,578,612 Consolidated Shares (assuming Share Consolidation became effective on 31 December 2014) in issue as at 31 December 2014 and 2,147,358,360 Offer Shares to be issued after the completion of the Open Offer.

Although the unaudited pro forma adjusted net tangible assets of the Group per Share as at 31 December 2014 would decrease from HK$0.87 to HK0.13 (HK$0.057 after making the adjustment stated in the previous paragraph), as can be seen from Appendix II, we consider the decrease to be acceptable because (i) the Open Offer would provide the fund for the Group to pursue its business development plans; (ii) the Open Offer would strengthen the capital base of the Group; (iii) the Open Offer is on the basis that all Qualifying Shareholders have been offered the same opportunity to maintain their proportional interests in the Company and allows the Qualifying Shareholders to participate in the possible growth of the Company; and (iv) the dollar value of the investment of Shareholders would not be diluted if the existing Shareholders take up his/her/its entitlements under the Open Offer.

Shareholders should take note of the assumptions made in the preparation of the unaudited pro form financial information of the Group contained in Appendix II, in particular, the pro forma financial information does not take into account any trading result or other transactions of the Group subsequent to 31 December 2014.

Cash and cash equivalent:–

According to the IR 2014/15, the Group had bank balances and cash of approximately HK$10.19 million as at 31 December 2014. Upon the completion of the Open Offer, the cash and cash equivalents of the Group will increase and improve as a result of the estimated net proceeds of approximately HK$215.6 million from the Open Offer to be received by the Company.

Gearing:–

According to the IR 2014/15, the Group's total liabilities and total assets as at 31 December 2014 were approximately HK$10.02 million and HK$109.99 million respectively. The Company's gearing ratio (being the ratio of total debts to total assets) was therefore approximately 9.11%. The Open Offer will provide additional liquidity in the form of equity to the Group, the financial position, capital base and total equity of the Group would be enhanced. Based on the enhanced cash position and enlarged capital base upon completion of the Open Offer, the Company's gearing ratio is expected to be improved.

For the above reasons, we are of the view that, the Open Offer, on balance, is beneficial and in the interests of the Company and the Independent Shareholders as a whole.

6. Possible risks associated with the Open Offer

Shareholders and potential investors should note that the Open Offer is subject to the satisfaction of certain conditions as described in the section headed "Conditions of the Open Offer" in the Letter from the Board. In particular, the Open Offer is subject to, among others, the Share Consolidation becoming effective, the approval of the Open Offer at the EGM, and the Underwriting Agreement becoming unconditional and not having been terminated in accordance with the terms set out under the sub-section headed "Termination of the Underwriting Agreement" in the Letter from the Board.

Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealings in the Shares and the New Shares, and if they are in any doubt about their position, they should consult their professional advisers.

RECOMMENDATION

Taking into account that:

- the Acquisition may enable the Group to further diversify its business activities and broaden its income stream through potential appreciation of the Land Property and/or leasing;
- the Open Offer would be a preferred method of equity financing as it will allow all the Qualifying Shareholders to maintain their proportionate interests in the Company and to participate in the future growth and development of the Company;

- the Subscription Price represents a deep discount to the average of the discounts with respect to the Comparables with a view to encouraging the Qualifying Shareholders to participate in the Open Offer.

- the dilution effect is not prejudicial to the existing Shareholders' interests in the Company if they choose to subscribe for their full entitlement of the Offer Shares under the Open Offer;

- the Open Offer will enhance the Group's cash and gearing position; and

- the underwriting commission of the Open Offer is fair and reasonable,

and balancing in the scales the advantages of the Open Offer against its risks, we are of the view that, on balance, the terms of the Open Offer, although not in the Company's ordinary and usual course of business, are nevertheless on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interest of the Company and the Independent Shareholders as a whole.

Accordingly, we advise the Independent Board Committee to recommend to the Independent Shareholders, as well as the Independent Shareholders, to vote in favour of the resolution(s) to approve the Open Offer at the EGM.

Yours faithfully
For and on behalf of
Pan Asia Corporate Finance Limited

Billy C. W. Cheung
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for the three years ended 30 June 2012, 2013 and 2014 are disclosed in the annual reports of the Company for the three years ended 30 June 2012, 2013 and 2014 and the interim report of the Company for the six months period ended 31 December 2014. They can be accessed on the websites of the Company (*www.ciholdings.com.hk*) and the Stock Exchange (http://www.hkexnews.hk).

Please see below quick link to p.2 to p.16 as shown in the interim report for the six months ended 31 December 2014 of the Company:

http://www.hkexnews.hk/listedco/listconews/GEM/2015/0213/GLN20150213029.pdf

Please see below quick link to p.41 to p.138 as shown in the annual report for the year ended 30 June 2014 of the Company:

http://www.hkexnews.hk/listedco/listconews/GEM/2014/0930/GLN20140930011.pdf

Please see below quick link to p.39 to p.126 as shown in the annual report for the year ended 30 June 2013 of the Company:

http://www.hkexnews.hk/listedco/listconews/GEM/2013/0910/GLN20130910009.pdf

Please see below quick link to p.41 to p.134 as shown in the annual report for the year ended 30 June 2012 of the Company:

http://www.hkexnews.hk/listedco/listconews/GEM/2012/0927/GLN20120927014.pdf

Extracted below are the key financial information of the Group for the three financial years ended 30 June 2012, 2013 and 2014 and the six months ended 31 December 2014:

	For the six months ended 31 December 2014 (Unaudited) *HK$'000*	**For the financial year ended 30 June 2014 (Audited)** *HK$'000*	**For the financial year ended 30 June 2013 (Audited)** *HK$'000*	**For the financial year ended 30 June 2012 (Audited)** *HK$'000*
Revenue	2,612	6,734	20,912	1,360
Loss for the period/year	(5,030)	(50,318)	(40,620)	(1,050,145)

	As at 31 December 2014 (Unaudited) *HK$'000*	As at 30 June 2014 (Audited) *HK$'000*	As at 30 June 2013 (Audited) *HK$'000*	As at 30 June 2012 (Audited) *HK$'000*
Total assets	109,989	92,957	72,690	72,731
Total liabilities	(10,015)	(148,190)	(127,808)	(159,777)
Net assets/(liabilities)	99,974	(55,233)	(55,118)	(87,046)
Equity attributable to owners of the Company	99,974	(55,233)	(55,118)	(89,466)
Non-controlling interests	–	–	–	2,420
	99,974	(55,233)	(55,118)	(87,046)

For the notes of the annual accounts of the Company for the year ended 30 June 2014, please refer to pages 51 to 138 of the annual report 2014 of the Company.

2. MANAGEMENT DISCUSSION AND ANALYSIS

a. For the year ended 30 June 2012

Shrine Business

During the Financial Year, the Group's core business, the shrine business, was significantly and adversely affected by the government's columbarium policy and the judicial review proceedings of the Group (the "Judicial Review") against the notices dated 22 October 2010 issued by the Planning Department under section 23(1) of the Town Planning Ordinance in relation to Lot 2073 in Demarcation District No. 104 (the "Lots"). As disclosed in the Company's announcement dated 21 June 2012, the appeal hearing on the Judicial Review was heard before the Court of Appeal of the High Court on 21 June 2012 and the Court ordered that such appeal be dismissed. Therefore the Group is still unable to operate the shrine business pending the application for leave of appeal to the Court of Final Appeal as described below.

By the reasons of the judgment of the Court of Appeal of the High Court dated 17 July 2012 (the "Judgment"), the Court of Appeal came to the view that the relevant Outline Zoning Plan ("OZP") does not include the type of use of development of the Lots which the columbarium known as "The Shrine" represents. Such use or the development of the Lots is not an always permitted use or development within the meaning of the notes to the OZP. For the above reason, the Court of Appeal dismissed the appeal for the Judicial Review.

The Company disagrees with the view of the Court of Appeal and the Judgment. Accordingly, the Company's subsidiaries have submitted a Notice of Motion applying for leave of appeal to the Court of Final Appeal appealing against the Judgment on 17 July 2012 and the Court has fixed the date for hearing of the application on 10 October 2012.

If the results of the further appeal against the Judgement to the Court of Final Appeal are not favourable, the Company will seek profitable investment opportunities after considering the Company's then financial positions and/or explore other business opportunities with the land that is currently designated for the shrine business. However, the Company has no present plan to change the use of land which is currently designated for shrine business since the result of the further appeal against the Judgment to the Court of Final Appeal has not been determined yet.

Paper-offering Business

During the Financial Year, only an insignificant turnover of HK$259,000 was recorded for the paper-offering business as our resources have been diverted to the management of the shine business and the Judicial Review. We will further look into this business segment and derive thereafter the most rational strategy for the operations of this segment.

Edible Oil Trading Business

The edible oil trading business did not perform satisfactorily as a result of the weak demand in global market. In view of the historical poor performance of this business segment, we have disposed of this segment in September 2012 so as to focus on our principal business and explore other businesses which would generate higher return.

Food and Beverage

In order to supplement the performance of our core business and diversify the investment opportunities, we have commenced trading in food and beverage in June 2012. We have further invested into a food processing centre in September 2012 so as to provide more value added services to our customers. With the increase in demand for more quality food and beverage, we believe that we should be able to capture a portion of this vast market going forward. We would continue to develop this business segment and explore any investment opportunities in this area.

Baron's School of Music Limited

In August 2012, the Group completed the acquisition of 49% interest in Baron's School of Music Limited ("Baron"). Baron was founded and is currently operated by a famous music producer in Hong Kong, Mr. Ronald Ng. It is principally engaged in providing high quality programmes and courses in both classical and contemporary music. It is the corporate strategy of the Group to strengthen its existing businesses and at the same time identify and capitalize new opportunities to achieve financial growth for the Group. In view of the business development of Baron in both Hong Kong and the PRC markets, which will result in the expansion of its income sources through various cooperative arrangements, we are optimistic on the prospect of Baron. We would consider that the acquisition of Baron to be a strategically important opportunity for the Group to participate in and entitle it to share the results from the business operation of Baron with a view to broaden the Group's income base and bringing in positive future earnings contribution to the Group.

CHANGE OF COMPANY NAME

The name of the Company was changed from "Hong Kong Life Group Holdings Limited" to "Celebrate International Holdings Limited" by passing a special resolution by the shareholders of the Company at the extraordinary general meeting held on 15 August 2012. The Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong had granted approval for the change of name of the Company on 20 August 2012 and 3 September 2012 respectively. It is considered that the new name of the Company can refresh the corporate image and identity of the Company to implement the future business development of the Group.

FINANCIAL REVIEW

For the year ended 30 June 2012, the Group recorded a turnover of approximately HK$1.6 million, representing a substantial decrease of approximately HK$12.2 million or 88.2% as compared to the year ended 30 June 2011. The significant decrease was primarily attributable to adverse impact on our core business, the shrine business, resulting from the government's columbarium policy and the Judicial Review as mentioned above.

For the year ended 30 June 2012, the Group's gross profit margin decreased from 54.3% to 21.9%. The significant reduction in gross profit margin was mainly resulted from lower gross profit margins generated from the trading in food and beverage and paper-offering business in the year ended 30 June 2012 as compared to the year ended 30 June 2011 when our core business, the shrine business was the profit driver for the Group, where the gross profit margin was significantly higher.

The administrative expenses reduced by approximately HK$31.8 million, representing a substantial decrease of 56.4% to HK$24.7 million in 2012 from approximately HK$56.5 million in 2011. The reduction was mainly attributed to the reduction in legal and professional fees and staff salaries.

During the year ended 30 June 2012, the Group incurred other operating expenses of HK$1.012 billion mainly comprising of HK$939.4 million from impairment loss on goodwill pertaining to the acquisition of Casdon Management Limited("Casdon") back in 2010, and HK$65.0 million from impairment loss on investment in a jointly controlled entity, Max Strong Limited("Max Strong"). As both Casdon and Max Strong were engaged in the development and provision of shrine, it is believed that the goodwill pertaining to the acquisition of Casdon and the Group's interest in Max Strong have been fully impaired in the light of the government's columbarium policy and the pending appeal against the judgment of the Court of Appeal of the High Court dated 17 July 2012.

Finance costs decreased substantially by approximately HK$47.9 million to approximately HK$13.6 million from approximately HK$61.5 million in 2011, which was mainly due to decrease in imputed interest expense on settlement of outstanding promissory note of approximately HK$126.0 million in 2011.

Compared with the year ended 30 June 2011, the Group's LBITDAO (Loss before interest, tax, depreciation and amortisation and other operating expenses) decreased by approximately HK$9.6 million from approximately HK$32.7 million to approximately HK$23.1 million for the year ended 30 June 2012.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2012, the Group held total assets of approximately HK$72.7 million (2011: approximately HK$1.1 billion), including cash and bank balances of approximately HK$3.8 million (2011: approximately HK$21.0 million).

As at 30 June 2012, the Group had total liabilities of approximately HK$159.8 million (2011: approximately HK$148.2 million) which mainly comprise of convertible bonds amounting to approximately HK$119.6 million (2011: approximately HK$110.8 million).

As at 30 June 2012, the gearing ratio, expressed as a percentage of total debts over total assets was about 219.8% (2011: 13.5%). This significant increase was mainly resulted from the impairment loss on goodwill arising from acquisition of subsidiary and impairment loss on the Group's interest in a jointly controlled entity incurred during the year ended 30 June 2012.

CONTINGENT LIABILITIES

As at 30 June 2012, the Group had no contingent liabilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are settled in Hong Kong dollars. The Group had neither foreign currency hedging activities nor any financial instruments for hedging purposes during the year.

CHARGES ON GROUP ASSETS

As at 30 June 2012, the Group did not have any charges on its assets.

CAPITAL STRUCTURE

In July 2011, the Company proposed a share consolidation of every 20 issued and unissued shares of HK$0.1 each into 1 consolidated share of HK$2.00 each. As approved by shareholders at the extraordinary general meeting held on 22 August 2011, the share consolidation became effective on 23 August 2011.

In July 2011, the Company proposed a capital reduction of the par value of each issued ordinary share from HK$2.00 to HK$0.0001 by cancelling the paid up capital to the extent of HK$1.9999 on each issued ordinary share. Immediately following the aforesaid capital reduction, each of the authorized but unissued shares of HK$2.00 each is sub-divided into 20,000 unissued shares of HK$0.0001. Upon receipt of the order granted by the Grand Court of the Cayman Islands and other relevant documents duly filed and registered with the Registrar of Companies in the Cayman Islands, the capital reduction and the share subdivision became effective on 20 December 2011.

In January 2012, the Company entered into the Placing Agreement with Pico Zeman Securities (HK) Limited whereby the Company agreed to place 21,000,000 ordinary shares of the Company at a price of HK$0.29 per share to not less than 6 independent Placees. The Placing was completed on 18 January 2012.

In May 2012, the Company announced to raise approximately HK$88.22 million before expenses by way of a right issue at a subscription price of HK$0.138 per rights share on the basis of 5 rights shares for every 1 existing share held (the "Rights Issue"). The Rights Issue was approved by the independent shareholders at the extraordinary general meeting of the Company held on 18 June 2012 and became unconditional on 13 July 2012. 635,250,500 shares of the Company were issued and allotted on 20 July 2012 accordingly.

As at 30 June 2012, the total number of issued shares of the Company was 127,850,100 shares of HK$0.0001 each (30 June 2011: 2,137,002,012 shares of HK$0.01 each).

EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 June 2012, the Group had 13 employees (30 June 2011: 15). The total staff costs including Directors' remuneration for the year were approximately HK$6.1 million. The Group's remuneration policy is formulated on the basis of the performance and experience of individual employee and is in line with the market practices. The Group offers to its employees other fringe benefits including Mandatory Provident Fund and medical benefits. Share options may be granted to employees based on performance evaluation in order to provide incentives and rewards.

SIGNIFICANT INVESTMENT

The Group has invested in shares of certain companies, the shares of which are traded on the Stock Exchange of Hong Kong Limited. As at 30 June 2012, the Group held available-for-sale financial assets at fair value through profit and loss amounted to approximately HK$6.1 million (2011: HK$7.7 million).

Save as disclosed above, the Group did not have any significant investment.

MATERIAL ACQUISITION AND DISPOSAL

In February 2012, the Group entered into an agreement to acquire 49% of the total issued share capital of Baron's School of Music Limited, a company which is principally engaged in providing high quality programmes and courses in both classical and contemporary music, for a consideration of HK$47.04 million which is satisfied by (i) HK$2.04 million in cash; and (ii) HK$45 million by the issue of promissory note from the Company. The aforesaid acquisition was completed in August 2012.

Save as disclosed above, during the year ended 30 June 2012, there was no material acquisition and disposal of subsidiaries and associated company by the Group.

b. For the year ended 30 June 2013

Shrine and Paper-offering

During the year ended 30 June 2013, the shrine and paper-offering businesses were still confronted by the harsh and severe situation arising from the government's columbarium policy and the judicial review proceedings(the "Judicial Review")of the Group against the notices dated 22 October 2010 issued by the Planning Department under section 23(1) of the Town Planning Ordinances in relation to Lot 2073 in Demarcation District No. 104 (the "Land"), which alleged that there is or was an unauthorized development on the Land meaning the carrying out of development of columbarium use and/or storage use which constitutes a material change in the use of the Land. By judgment of the High Court made on 3 October 2011 (the "Judgment"), the Court ordered that the Group's application for Judicial Review was dismissed. As a nutshell, the Judge having considered the planning intention, the context of the Outline Zoning Plan ("OZP") and the meaning of "shrine", the Judge came to the view that the use of the Land by the project of the Group in Yuen Long ("The Shrine") plainly falls outside the scope of a use serving the needs of the villagers and in support of the village development; and in conclusion, the Judge adjudged that The Shrine is not a shrine within the meaning of Paragraph (9)(b) in the context of the OZP but rather, it is a columbarium and the application for Judicial Review failed.

Over the past two years, the Group has made successive attempts to appeal against the Judgment. However, on 10 April 2013, the Appeal Committee of the Court of Final Appeal ordered that the Company's application for leave to appeal be dismissed. Having considered the uncertain environment in which the Group operated and likelihood of success in the final appeal, the Board has made a painful decision to discontinue further appeal. This has finally put an end to the judicial review proceedings of the Group.

Attributed to discontinuation of further appeal as aforesaid and the uncertainties on the future operations, the Board determined to divest its investment in the shrine and paper -offering businesses and finally announced the completion of the disposal of the entire interest in Sea Marvel Limited and its subsidiaries, which is engaged in the shrine and paper-offering businesses, on 16 April 2013. Completion of the disposal has relieved the group's attention to the long-winding judicial proceedings and redirect its resources to other investment opportunities which may generate a better return.

Food and Beverage Trading

Food and beverage trading only commenced business in June 2012 and has made good progress in performance throughout the year ended 30 June 2013. This is evidenced from the substantial growth in turnover from HK$1.4 million for the year ended 30 June 2012 to HK$20.9 million for the year ended 30 June 2013.

In order to provide more value-added services to customers, a food processing centre was established in September 2012. The Board is quite optimistic about the future performance of this business as demands for quality food is persistently high in light of the fast growth of the tourism industry in Hong Kong while supply is limited. The Board is also confident that the Group is able to capture a portion of this vast market going forward and would therefore continue its effort in further developing the business.

Edible Oil Trading

The edible oil trading did not perform satisfactorily as a result of the weak demand in global market. In view of the historical poor performance of this business segment, the Board disposed of this segment in September 2012. This is in line with the business strategy in the rationalization of the businesses of the Group so as to focus other businesses which would generate a higher return.

Baron's School of Music Limited

In August 2012, the Group completed the acquisition of 49% interest in Baron's School of Music Limited ("Baron"). Baron was founded and is currently operated by a famous music producer in Hong Kong, Mr. Ronald Ng. It is principally engaged in providing high quality programmes and courses in both classical and contemporary music.

It is the corporate strategy of the Group to strengthen its existing businesses and at the same time identify and capitalize new opportunities to achieve financial growth for the Group. In view of the business development of Baron in both Hong Kong and the China markets, which will result in the expansion of its income sources through various co-operative arrangements, The Board is optimistic on the prospect of Baron. The Board would, therefore, consider that the acquisition of Baron to be a strategically important opportunity for the Group to participate in and entitle it to share the results from the business operation of Baron with a view to broaden the Group's income base and bringing in positive future earnings contribution to the Group.

CHANGE OF COMPANY NAME

The name of the Company was changed from "Hong Kong Life Group Holdings Limited" to "Celebrate International Holdings Limited" by passing a special resolution by the shareholders of the Company at the extraordinary general meeting held on 15 August 2012. The Registrar of Companies in the Cayman Islands and the Companies Registry in Hong Kong had granted approval for the change of name of the Company on 20 August 2012 and 3 September 2012 respectively.

It is considered that the new name of the Company can refresh the corporate image and identity of the Company to implement the future business development of the Group.

FINANCIAL REVIEW

The Group's revenue from continuing operations of approximately HK$20.9 million for the year ended 30 June 2013, represents an increase of approximately HK$19.6 million or 1,437.6% as compared to the year ended 30 June 2012. The significant increase was primarily attributable to the revenue contributed by food and beverage trading.

For the year ended 30 June 2013, the Group's gross profit margin from continuing operations reduced from 7.1% to 3.6%. The significant reduction in gross profit margin was mainly resulted from lower gross profit margin generated from food and beverage trading where the lower margin was accepted in order to capture and expand into the vast food market.

The administrative expenses from continuing operations increased by approximately HK$4.2 million, a 27.7% increase to approximately HK$19.6 million in the year ended 30 June 2013 from approximately HK$15.4 million in the year ended 30 June 2012. The increase was mainly attributed to the increase in legal and professional fees incurred for the judicial review proceedings and the lease rental for the new office and the food processing centre.

Finance costs from continuing operations increased by approximately HK$0.6 million to approximately HK$14.2 million in the year ended 30 June 2013 from approximately HK$13.6 million in the corresponding year of 2012, which was mainly due to the increase in imputed interest expense on redemption of the convertible bonds in the year ended 30 June 2013.

During the year ended 30 June 2013, the Group completed the disposals of its respective equity interests of 75% and 100% in Top Entrepreneur Profits Limited and Sea Marvel Limited (the "Disposal Group"), which resulted in an aggregate loss of approximately HK$7.1 million arising from the disposals. In addition, the aggregate net operating loss from the Disposal Group for the year ended 30 June 2013 up to the dates of disposals amounted to approximately HK$1.0 million. The Group,therefore, recognised a total loss of approximately HK$8.1 million from discontinued operations during the year ended 30 June 2013.

Compared with the year ended 30 June 2012, the Group's LBITDA (Loss before interest, tax, depreciation and amortisation) from continuing operations reduced by approximately HK$3.0 million from approximately HK$19.9 million to approximately HK$16.9 million. This was mainly attributed to the gain arising from the redemption of convertible bonds and the gross profit contributed from food and beverage trading.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2013, the Group held total assets of approximately HK$72.7 million (30 June 2012: approximately HK$72.7 million), including cash and bank balances of approximately HK$0.9 million (30 June 2012: approximately HK$3.8 million).

As at 30 June 2013, the Group had total liabilities of approximately HK$127.8 million (30 June 2012: HK$159.8 million) which mainly comprise of convertible bonds amounting to approximately HK$123.8 million (30 June 2012: approximately HK$119.6 million).

As at 30 June 2013, the gearing ratio, expressed as a percentage of total debts over total assets was about 175.8% (2012: 219.8%). This significant reduction was mainly resulted from the disposal of the Sea Marvel Limited and its subsidiaries in April 2013.

CONTINGENT LIABILITIES

As at 30 June 2013, the Group had no contingent liabilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are settled in Hong Kong dollars. The Group had neither foreign currency hedging activities nor any financial instruments for hedging purposes during the year.

CHARGES ON GROUP ASSETS

As at 30 June 2013, the Group did not have any charges on its assets.

CAPITAL STRUCTURE

In May 2012, the Company announced to raise approximately HK$88.22 million before expenses by way of a right issue at a subscription price of HK$0.138 per rights share on the basis of 5 rights shares for every 1 existing share held (the "Rights Issue"). The Rights Issue was approved by the independent shareholders at the extraordinary general meeting of the Company held on 18 June 2012 and became unconditional on 13 July 2012. 639,250,500 shares of the Company were issued and allotted on 20 July 2012 accordingly.

As at 30 June 2013, the total number of issued shares of the Company was 767,100,600 shares of HK$0.0001 each (30 June 2012: 127,850,100 shares of HK$0.0001 each).

EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 June 2013, the Group had 17 employees (30 June 2012: 13). The total staff costs including Directors' remuneration for the year were approximately HK$4.5 million (2012: approximately HK$6.1 million). The Group's remuneration policy is formulated on the basis of the performance and experience of individual employee and is in line with the market practices. The Group offers to its employees other fringe benefits including Mandatory Provident Fund and medical benefits. Share options may be granted to employees based on performance evaluation in order to provide incentives and rewards.

SIGNIFICANT INVESTMENT

The Group has invested in shares of certain companies which are traded on the Stock Exchange. As at 30 June 2013, the Group held available-for-sale financial assets at fair value through profit and loss amounted to approximately HK$13.3 million (2012: approximately HK$6.1 million).

Save as disclosed above, as at 30 June 2013, the Group did not have any significant investment.

MATERIAL ACQUISITION AND DISPOSAL

In February 2012, the Group entered into an agreement to acquire 49% of the total issued share capital of Baron's School of Music Limited, a company which is principally engaged in providing high quality programmes and courses in both classical and contemporary music, for a consideration of HK$47.04 million which is satisfied by (i) HK$2.04 million in cash; and (ii) HK$45 million by the issue of promissory note from the Company. The aforesaid acquisition was completed in August 2012.

In February 2013, the Group entered into an agreement to dispose of the entire issued share capital of Sea Marvel Limited, an investment holding company for subsidiaries engaging in the provision of shrine for memorial ancestor and paper-offering business, for a consideration of HK$8 million which is satisfied by (i) HK$2 million in cash as refundable deposit; (ii) HK$6 million in cash payable on completion of the disposal. The aforesaid disposal was completed in April 2013.

Save as disclosed above, during the year ended 30 June 2013, there was no material acquisition and disposal of subsidiaries and associated company by the Group.

c. For the year ended 30 June 2014

Food and Beverage Trading

Further to the discontinuation of the shine and paper offering businesses subsequent to the completion of the disposal of Sea Marvel Limited in the fiscal year 2013, the Group has consolidated its efforts to focus on trading of food and beverage. As a result, the Group has adopted a new strategic measure to rationalize the customer mix in order to attain long-term growth and stability of the business. This has caused a cutback in revenue and a reduction in gross profit in the year ended 30 June 2014 as compared to the corresponding year of 2013. However, there are signs of slowdown for the demands of quality food attributable to the reduction in number of mainland visitors and the weak performance of local economy. It is believed that the slowdown for the demands of quality food will persist, which will in turn have an adverse impact on the future performance of our business. Although the Group has re-engineered its business strategy to focus on the quality of its customer portfolio, the Group does not foresee that there will be a gradual turnaround in the near future and therefore the Group will divert more resources in exploring other potential new business opportunities.

Money Lending

In line with our corporate mission to explore other potential investment opportunities so as to supplement the trading of food and beverage business for enhancing the shareholders' value, the Group has successfully obtained the Money Lenders License in May 2014 and has entered into the lending business in return for interest revenue. At the outset, the Group has made only one loan agreement to the extent of HK$2,000,000 in the year ended 30 June 2014.

Money lenders are governed by the Money Lenders Ordinance. According to the report issued by Ipsos Hong Kong Limited, the number of money lenders in Hong Kong increased from about 741 in 2007 to 959 in 2012 and is expected to increase further to 1,025 in 2014, whereas the total value of loans granted by money lenders in Hong Kong increased from approximately HK$88.4 billion in 2007 to approximately HK$133.3 billion in 2011 and is expected to increase further to approximately HK$160.8 billion in 2014. Due to the increasing demand for housing and enhanced lifestyle of Hong Kong consumers, more money lenders have entered into the Hong Kong market in the past few years to capture consumers' increasing liquidity need. These money lenders have emphasized on their fast and convenient application process with minimum credit and background assessment to attract customers who may fail to meet the loan requirements of the authorised financial institutions. This is the risk factor associated with the non-collectability of the loans granted for most of the money lenders including the Group. Nevertheless, it is believed that this risk factor can be mitigated by placing specific emphasis on checking the background and financial position of the loan applicants, only upon satisfaction of which would the loans be granted by the Group. In addition, the Group adopts a conservative approach to its lending business and only focuses on loans granted to small and medium enterprises and individuals on a small scale basis and as such, it is not anticipated that a significant amount of funding to the lending business is required.

Going forward, we will divert more attention to develop the money lending business so as to diversify the business portfolio of the Group for minimizing the business risk.

Other Business Developments

On 7 October 2013, the Company announced that the Group entered into a sales and purchase agreement ("Agreement") with an independent third party to acquire conditionally the entire issued share capital of Lakezone Limited ("Lakezone") for a consideration of HK$500,000,000. The consideration will be satisfied as to (i) HK$40,000,000 in cash; (ii) HK$85,233,400 by the allotment and issue of 85,233,400 ordinary shares of the Company at the issue price of HK$1.00 per share; and (iii) HK$374,766,600 by the issue of promissory note of the same amount by the Company. Lakezone and its subsidiaries intend to engage in the distribution and sales of cigarettes in China. However, the Agreement was terminated on 5 December 2013 by mutual consent as the Board considered that it would be impossible for all the conditions precedent including the completion of the due diligence investigation of Lakezone and its subsidiaries having been satisfied on or before the long stop date as stated in the Agreement.

On 17 December 2013, the Group entered into a memorandum of understanding ("MOU") in relation to a proposed acquisition of 100% equity interest in a target group which is principally engaged in the production and sales of microorganism fertilizers in China. Unfortunately, the MOU expired on 17 June 2014 without further extension and therefore, the Group has lost its exclusive right to discuss and negotiate with the vendors on the proposed acquisition following its expiry. However, the Group has maintained a continuing dialogue with the vendors in relation to the proposed acquisition.

Financing Resources

Since 2012, the Company has been seeking additional financing resources to improve the working capital of the Group through various fund raising exercises including placing of new shares and rights issue. Further, the Company had disposed certain non-performing businesses and has explored investments with potentially positive business prospects from time to time so as to improve the overall financial position of the Group. Accordingly, the Group narrowed down the loss for the year ended 30 June 2013 to approximately HK$40.6 million from approximately HK$1,050.2 million for the year ended 30 June 2012. However, the Group was still loss-making and unable to generate an overall positive profit from its existing business operations. The group, therefore, conducted the following arrangements for financing its business operations:

Placing

On 15 January 2014, the Company announced placing of 153,420,120 shares of the Company to not less than six placees at a price of HK$0.25 per share ("Placing 1"). Placing 1 was completed on 28 January 2014 and the net proceeds amounting to HK$36.70 million therefrom was applied as general working capital of the Group.

On 3 June 2014, the Company announced another placing of 184,104,000 shares of the Company at a price of HK$0.076 per share ("Placing 2"). Placing 2 was completed on 12 June 2014 and the net proceeds amounting to HK$13.50 million therefrom was applied as general working capital of the Group.

On 30 June 2014, the Company announced the following:

1. Share consolidation

Every 10 issued shares of par value of HK$0.0001 each is consolidated into 1 consolidated share of par value of HK$0.001 each. The share consolidation took effect from 12 August 2014 resulting in the authorized share capital of the Company of HK$1,000,000,000 dividing into 1,000,000,000,000 consolidated shares of HK$0.001 each, of which 110,462,472 consolidated shares were then in issue and fully paid or credited as fully paid.

2. Change in board lot size

The board lot size trading on the Stock Exchange of Hong Kong Limited is changed from 4,000 shares to 20,000 consolidated shares. The change in board lot size took effect from 13 August 2014.

3. Open offer

The Company proposes to raise approximately HK$176.7 million (before expenses) by way of an open offer of 883,699,776 offer shares at a subscription price of HK$0.20 per offer share on the basis of eight (8) offer shares for every one (1) consolidated share held on 21 August 2014. The Company intends to apply such net proceeds from the open offer for early redemption of all the outstanding convertible bonds, the principal amount of which amounts to HK$170 million in order to save the interest expense associated therewith, and the remaining for the general working capital of the Group.

The open offer became unconditional on 8 September 2014 and the offer shares were all allotted on 16 September 2014.

Amendments to the terms and conditions of the convertible bonds

On 16 January 2014, the Company entered into a deed of amendment ("Deed of Amendment") with its bondholders of the existing redeemable convertible bonds ("CB") to amend certain terms and conditions of the CB with an aggregate outstanding principal amount of HK$170 million. Under the Deed of Amendment, the Company is allowed to elect cash settlement or by issuing conversion shares pursuant to the CB. In the event that the Company chooses to redeem the CB by issuing the conversion shares, the Company's liabilities will be reduced and the Company's equity base will be enlarged which in turn shall improve the financial position and gearing of the Group.

The Deed of Amendment was approved at the extraordinary general meeting of the Company held on 3 March 2014 and a supplementary deed poll relating to the CB was executed on 4 March 2014.

FINANCIAL REVIEW

The Group posted a consolidated revenue of approximately HK$6.7 million for the year ended 30 June 2014, representing a substantial reduction of approximately HK$14.2 million or 67.8% as compared to the year ended 30 June 2013. The reduction in revenue was primarily attributable to our strategic measure to rationalize the customer mix, which results in the cutback of turnover for the food and beverage business. Such rationalization is in fact resulted from the poor payment history of one major customer. The Group has ceased to transact with this customer and a writ of summons was served on it to recover an amount of approximately HK$5,133,000. Subsequent to the issue of writ and up to the present moment, a total sum of HK$2,300,000 was received from it. The Group is negotiating for the payment schedule relating to the settlement of the balance of the claim.

For the year ended 30 June 2014, the Group's gross profit margin reduced slightly from 3.6% to 3.3%. The reduction in gross profit margin was mainly resulted from the strategic measure to rationalise the customer mix mentioned above.

The administrative expenses were augmented by approximately HK$1.3 million, a 6.6% increase to approximately HK$20.9 million in the year ended 30 June 2014 from approximately HK$19.6 million in the year ended 30 June 2013. The increase was mainly attributed to the increase in legal and professional fee relating to the proposed acquisitions and the placings.

Other operating expenses increased substantially by approximately HK$9.3 million from HK$2.5 million for the year ended 30 June 2013 to HK$11.8 million for the year ended 30 June 2014. This is mainly attributed to the impairment loss of HK$9.6 million on interest in an associate and write-off of financial assets at fair value through profit or loss amounting to approximately HK$ 1.5 million during the year ended 30 June 2014.

Finance costs increased by approximately HK$4.7 million to approximately HK$18.9 million in the year ended 30 June 2014 from approximately HK$14.2 million in the corresponding year of 2013. This is mainly due to the increase in imputed interest expense of the convertible bonds, which were redeemed to the extent of HK$10 million during the year ended 30 June 2013.

Compared with the year ended 30 June 2013, the Group's LBITDA (Loss before interest, tax, depreciation and amortisation) from continuing operations increased significantly by approximately HK$12.7 million from approximately HK$16.9 million to approximately HK$29.6 million. This was mainly attributed to the increase administrative and other operating expenses during the year ended 30 June 2014.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2014, the Group held total assets of approximately HK$92.0 million (30 June 2013: approximately HK$72.7 million), including cash and bank balances of approximately HK$24.6 million (30 June 2013: approximately HK$ 0.9 million).

As at 30 June 2014, the Group had total liabilities of approximately HK$148.2 million (30 June 2013: approximately HK$127.8 million) which mainly comprise of convertible bonds amounting to approximately HK$141.3 million (30 June 2013: approximately HK$123.8 million).

As at 30 June 2014, the gearing ratio, expressed as a percentage of total debts over total assets was about 161.1% (2013: 175.8%). The reduction was mainly attributed from the increase in the bank and cash balances as at 30 June 2014, resulting from the net proceeds received from the placings completed during the year ended 30 June 2014.

CONTINGENT LIABILITIES

As at 30 June 2014, the Group had no contingent liabilities.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are settled in Hong Kong dollars. The Group had neither foreign currency hedging activities nor any financial instruments for hedging purposes during the year.

CHARGES ON GROUP ASSETS

As at 30 June 2014, the Group did not have any charges on its assets.

CAPITAL STRUCTURE

On 15 January 2014, the Company announced placing of 153,420,120 shares of the Company to not less than six placees at a price of HK$0.25 per share ("Placing 1"). Placing 1 was completed on 28 January 2014 and the net proceeds amounting to HK$36.70 million therefrom was applied as general working capital of the Group.

On 3 June 2014, the Company announced another placing of 184,104,000 shares of the Company at a price of HK$0.076 per share ("Placing 2"). Placing 2 was completed on 12 June 2014 and the net proceeds amounting to HK$13.50 million therefrom was applied as general working capital of the Group.

As at 30 June 2014, the total number of issued shares of the Company was 1,104,624,720 shares of HK$0.0001 each (30 June 2013: 767,100,600 shares of HK$0.0001 each).

EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 June 2014, the Group had 19 employees (30 June 2013: 17). The total staff costs including Directors' remuneration for the year were approximately HK$3.6 million (2013: approximately HK$4.5 million). The Group's remuneration policy is formulated on the basis of the performance and experience of individual employee and is in line with the market practices. The Group offers to its employees other fringe benefits including Mandatory Provident Fund and medical benefits. Share options may be granted to employees based on performance evaluation in order to provide incentives and rewards.

SIGNIFICANT INVESTMENT

The Group has invested in shares of certain companies which are traded on the Stock Exchange of Hong Kong Limited. As at 30 June 2014, the Group held available-for-sale financial assets at fair value through profit and loss amounted to approximately HK$18.6 million (2013: approximately HK$13.3 million).

Save as disclosed above, the Group did not have any significant investment.

d. For the 6 months ended 31 December 2014

Food and Beverage Trading

Further to the adoption of a new strategic measure to rationalize the customer mix as announced in our 2014 annual report, the Group continued to suffer from the reduction in revenue from the food and beverage trading during the six months ended 31 December 2014 due to the slowdown for the demands of quality food attributable to the reduction in spending by the mainland visitors and the relatively weak performance of the local economy. We are not too optimistic about the future performance of this business segment under the aftermath of the "Occupy Central Movement" as there are signs to indicate that a prolonged period of antagonizing sentiment against the mainland visitors will emerge. While it is generally considered that the mainland visitors is a major source of our revenue, we would believe that the slowdown for quality food will persist and we will have to adjust our strategy accordingly in order to survive during this period of turmoil. We will therefore continue to keep our eyes wide open for any potential investment opportunities so as to compensate the loss of revenue in the food and beverage business.

Money Lending

Further to the acquisition of the Money Lenders Licence in May 2014, the Group has entered into the lending business in return for interest revenue. Money lenders in Hong Kong generally placed specific emphasis on their fast and convenient application process with minimum credit and background assessment to attract customers who may fail to meet the loan requirements of the authorized financial institutes. This is the risk factor associated with the non-collectability of the loans granted for most of the money lenders, which we believe, can be mitigated by a thorough checking on the background and financial position of the loan applicants undertaken by the Group. In addition, the Group adopts a conservative approach to its lending business and only focuses on loans granted to small and medium enterprises and individuals on a small scale basis and as such, it is not anticipated that a significant amount of funding is required. On strict compliance with this lending principle, the Group recorded approximately HK$1.96 million of interest income during the six months ended 31 December 2014. Going forward, we will divert more attention to develop the money lending business so as to diversify the business portfolio of the Group.

Other Developments

In line with the corporate strategy of the Group to identify and capitalize new opportunities to achieve financial growth, the Group has made the following developments:

(a) On 11 November 2014, the Company announced that Sharp Elegant Limited, a wholly owned subsidiary of the Company, is establishing a health centre in North Point to provide hot stone spa and health related services, including ganbanyoku and health urn. All major renovation works on the health centre have been completed and the health centre is scheduled to commence operations in February 2015.

(b) On 2 December 2014, the Group entered into a memorandum of understanding ("MOU") in relation to the possible acquisition of the entire issued share capital of Goldee Holdings Limited, which is the legal and beneficial owner of a property, at an aggregate consideration of HK$315 million. An earnest money in the sum of HK$10 million has been paid by the Group pursuant to the MOU.

(c) With effect from 30 January 2015, trading in the shares of the Company has been suspended pending the release of an announcement relating to a proposed very substantial acquisition which contains inside information of the Company.

Financial Review

The Group posted an unaudited consolidated revenue of approximately HK$2.6 million for the six months ended 31 December 2014 (six months ended 31 December 2013: approximately HK$4.4 million), representing a substantial reduction of approximately HK$1.8 million or 41% as compared to the six months ended 31 December 2013. The substantial reduction in revenue was primarily attributable to the continuing reduction of revenue generated from the food and beverage trading as discussed above. However, the reduction in business volume of food and beverage trading was compensated by an interest income of approximately HK$1.96 million generated during the six months ended 31 December 2014 from the money lending business commenced in June 2014.

The Group's gross profit margin has increased substantially from 3% for the six months ended 13 December 2013 to 75.8% for the six months ended 31 December 2014. This is primarily due to the establishment of the money lending business where the gross profit margin is substantially higher than that of the food and beverage trading business.

Included in other income for the six months ended 31 December 2014 is an amount of approximately HK$7.8 million which represents the gain arising from the full redemption of the then outstanding convertible bonds of HK$170 million in September 2014.

The administration expenses for the six months ended 31 December 2014 were augmented by approximately HK$5.4 million which is a significant increase of 77.4% over the corresponding period in 2013. This is mainly resulted from the pre-operating expenses incurred for the establishment of a health centre as announced on 11 November 2014.

Loss from operations has also increased from approximately HK$1.4 million for the six months ended 31 December 2013 to approximately HK$2.8 million for the six months ended 31 December 2014, representing an increase of approximately HK$1.4 million which was mainly due to the following:

(i) substantial increase in administrative and operating expenses as discussed above;

(ii) reduction in gain on disposal of financial assets at fair value through profit or loss; and

(iii) loss on reduction in fair value of financial assets through profit or loss.

Share of loss of an associate amounting to HK$314,000 represents share of results of the Group's 49% interest in Baron's School of Music Limited ("Baron"), which was acquired in August 2012. Baron was founded and is currently operated by a famous producer in Hong Kong, Mr. Ronald Ng. It is principally engaged in providing high quality programmes and courses in both classical and contemporary music.

Liquidity and financial resources

As at 31 December 2014, the Group's cash and cash equivalents amounted to approximately HK$10.2 million (30 June 2014: approximately HK$24.6 million). The reduction in the Group's cash and cash equivalents is primarily attributable to the granting of loans under the money lending business. Following the full redemption of the convertible bonds in September 2014, the Group's has no external borrowings as at 31 December 2014.

In order to finance the full redemption of the convertible bonds of HK$170 million, the Company raised approximately HK$170.2 after expenses by way of an open offer at a subscription price of HK$0.2 per offer share on the basis of 8 offer shares for every 1 share held and as a result, on 16 September 2014, 883,699,776 shares of the Company were issued and allotted.

On 15 October 2014, the Company issued and allotted 198,830,000 shares of the Company ("Placing Shares") on completion of the placing for the Placing Shares at a placing price HK$0.132 per share. The net proceeds of HK$25.4 million were earmarked as general working capital.

Capital Structure

As at 31 December 2014, the total number of issued shares of the Company was 1,192,992,248 ordinary shares of HK$0.001 each (30 June 2014: 1,104,624,720 ordinary shares of HK$0.0001 each).

Contingent liabilities

As at 31 December 2014, the Group had no contingent liabilities.

Exposure to fluctuations in exchange rates and related hedges

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are mainly settled in Hong Kong dollars. The Board considers its exposure to foreign exchange risk was not significant and therefore, no financial instrument was made to hedge such exposures.

Charge on Group Assets

As at 31 December 2014, the Group did not have any charge on its assets.

Material Acquisition and Disposal

There was no material acquisition and disposal of subsidiaries and associated company by the Group during the six months ended 31 December 2014.

Investment in Listed Securities

The Group has invested in shares of certain companies, the shares of which are traded on the Stock Exchange of Hong Kong Limited. As at 31 December 2014, the Group held financial assets at fair value through profit or loss amounted to approximately HK$17.3 million (30 June 2014: HK$18.6 million).

Save as disclosed above, the Group did not have any investment in listed securities as at 31 December 2014.

Employees, Remuneration policies and Share Option Scheme

As at 31 December 2014, the Group had 26 staff (31 December 2013: 20). The aggregate staff costs and Director's remuneration for the six months ended 31 December 2014 amounted to approximately HK$2.9 million (six months ended 31 December 2013: HK$1.7 million). The Group's remuneration policy is formulated on the basis of the performance and experience of individual employee and is in line with the market practices. The Group offers to its employees other fringe benefits including Mandatory Provident Fund and medical benefits. Share options may be granted to employees based on performance evaluation in order to provide incentives and rewards.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 March 2015, the Enlarged Group had an unguaranteed and secured obligation under a finance lease amounting to approximately HK$626,000 in respect of a motor vehicle, and an unguaranteed and unsecured amount of HK$462,000 due to the director of the Target Group.

Save as disclosed and apart from intra-group liabilities, as at the close of business on 31 March 2015, the Enlarged Group had no other outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credit, guarantees or material contingent liabilities.

4. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the net proceeds from the Open Offer and the financial resources available to the Enlarged Group (including internally generated fund and the available banking facilities), the Group will have sufficient working capital for its present requirements for a period of 12 months from the date of this Circular.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Group is principally engaged in food and beverage trading and money lending. In February 2015, the Group commenced to operate a health centre to provide hot stone spa and health related services including ganbanyoku and health urn.

In the interim report of the Company for the six months ended 31 December 2014, the Group recorded a consolidated revenue of HK$2.61 million for the six months ended 31 December 2014 comparing to that of HK$4.44 million for the six months ended 31 December 2013, which represents a substantial reduction of HK$1.83 million or 41.2%. The substantial reduction in revenue was primarily attributable to the continuing reduction of revenue generated from the food and beverage trading due to the slowdown for the demands of quality food attributable to the reduction in spending by the mainland visitors and the relatively weak performance of the local economy. The Board is not too optimistic about the future performance of this business segment as there are signs to indicate that a prolonged period of antagonizing sentiment against mainland visitors has emerged. It is believed that the slowdown for quality food will persist and therefore the Group will have to further develop other business segments and explore other potential investment opportunities as to compensate the loss in revenue of the food and beverage trading.

The money lending business only commenced in May 2014 following the acquisition of the Money Lenders License. For the six months ended 31 December 2014, the Group recorded an interest income of HK$1.96 million and the loan portfolio as at 31 December 2014 amounts to HK$12.36 million. The Board is quite optimistic about the future performance of the money lending business and will enhance the effort in further developing the business. The Group will continue to adopt a conservative approach to its lending business and only focuses on loans granted to small and medium sized enterprises and individuals on a small scale basis.

Due to the increased awareness on healthcare and pursue of quality of living standard, it is believed that the business in providing hot stone spa and health related services would be prosperous and the demand is expected to sustain in future. The Group has therefore established a health centre to provide hot stone spa and health related services (including ganbanyoku which is a method of keeping fit that involves lying down on a heated slab of rock embedded in the ganbanyoku room floor, and health urn which is a round shaped container with stones attached to the inner surface of a container which consists of farinfrared that could penetrate deep into human body and discharges heavy metal in blood vessels. Both facilities discharge body wastes by heating effect), which has commenced operations in February 2015. The Board is of the view that the establishment of the health centre would enable the Group to expand its source of revenue and diversify the Group's revenue base.

In recent decade, the Hong Kong property market maintains an increasing trend. The Board holds the view that given interest rates and unemployment rate remained low and supply of properties being at shortage, property prices are hard to fall. In order to seize the new opportunities to achieve growth, the Group therefore entered into the Conditional Agreements for Sale and Purchase for acquiring, among others, 51% of the issued share capital of the Target Company, which is the legal and beneficial owner of the Land Property. Upon Completion, the Group will have 51% interest in the Land Property.

At present, the Group intends to hold the Land Property for capital appreciation and has no concrete plan for further development. By taking the advantage of the luxurious location of the Land Property and limited supply of similar type of land properties in the market, the Board is optimistic about the return to be brought by the Land Property to the Group.

PART A. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular from the independent reporting accountants of the Company, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong.

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B-4A, 20th Floor,
Tower 5, China Hong Kong City,
33 Canton Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

26 May 2015

The Board of Directors
Celebrate International Holdings Limited
Room 2609-10, 26/F.,
China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Celebrate International Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma net tangible assets statement as at 31 December 2014, and related notes as set out in Appendix II of the circular issued by the Company. The applicable criteria on the basis of which the directors have complied the unaudited pro forma financial information are described in Appendix II of the circular.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed open offer issue of 2,147,358,360 new shares of the Company (the "**Offer Shares**") at a subscription price of HK$0.105 per Offer Share on the basis of thirty Offer Shares for every one existing consolidated share (the "**Open Offer**") on the Group's financial position as at 31 December 2014 as if the proposed open offer on the basis of issue had taken place at 31 December 2014. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months ended 31 December 2014, on which an interim report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on Growth Enterprise Market of the Stock Exchange (the "**GEM Listing Rules**") and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31 of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2014 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants
Hong Kong
Yip Kai Yin
Practising Certificate Number: P05131

PART B. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information of the Group (the "**Unaudited Pro Forma Financial Information**") has been prepared in accordance with paragraph 7.31(1) of the GEM Listing Rules set out below to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group as if it had taken place on 31 December 2014.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Open Offer been completed as at 31 December 2014 or at any future date.

The following Unaudited Pro Forma Financial Information of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2014 extracted from the published interim report of the Group for the period ended 31 December 2014, with adjustment described below:

Taking into account 1,431,572,240 Shares in issue as at the Latest Practicable Date, and there will be no change in the issued share capital of the Company from the Latest Practicable Date to the date of the Record Date, 2,147,358,360 Offer Shares will be issued under the Open Offer.

	Unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2014	**Unaudited estimated net proceeds from the Open Offer**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2014**	**Unaudited consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Open Offer**	**Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Open Offer**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*	*(Note 4)*	*(Note 5)*
Based on 2,147,358,360 Offer Shares at subscription price of HK$0.105 per Offer Share	62,588	215,600	278,188	0.87	0.13

Notes:

(1) The unaudited consolidated net tangible assets attributable to owners of the Company as at 31 December 2014 has been extracted from the published interim report of the Company for the period ended 31 December 2014 after deducting investment in an associate which comprised of goodwill of approximately HK$37,386,000 as at 31 December 2014.

(2) The estimated net proceeds from the Open Offer is approximately HK$215,600,000 which are based on 2,147,358,360 Offer Shares to be issued at the Subscription Price of HK$0.105 per Offer Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Open Offer, of approximately HK$9,873,000.

(3) The amount of approximately HK$278,188,000 represents the consolidated net tangible assets of the Group after completion of the Open Offer but excluding the effect for the cash proceeds to be used for completion of the Acquisition. Details for the unaudited pro forma financial information for the Acquisition has been set out in Appendix IV to this Circular. If the payment under the Acquisition is taken into account, the amount of net tangible assets after completion of the Open Offer will be reduced from HK$278,188,000 to HK$127,538,000 and the unaudited pro forma adjusted consolidated net tangible assets of the Group for completion of the Acquisition per share is HK$0.057.

(4) The unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to the owners of the Company before the completion the Open Offer is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2014 of approximately HK$62,588,000 as disclosed in note 1 above, divided by 71,578,612 consolidated shares (assuming share consolidation became effective on 31 December 2014) in issue as at 31 December 2014.

(5) The unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Open Offer per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2014 for the Open Offer of approximately HK$278,188,000 divided by 2,218,936,972 shares which comprise 71,578,612 consolidated shares (assuming share consolidation became effective on 31 December 2014) in issue as at 31 December 2014 and 2,147,358,360 Offer Shares to be issued after the completion of the Open Offer.

(6) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2014.

PART A. MANAGEMENT DISCUSSION AND ANALYSIS ON SUPER GROUP DEVELOPMENT LIMITED ("SGDL")

Set out below is the management discussion and analysis of SGDL business and performance for the three years ended 30 June 2012, 2013 and 2014 and for the eight months ended 28 February 2015. The financial information of the Target Group and its subsidiary are prepared using the accounting policies which are materially consistent with the Company. Since Goldee Holdings Limited (the "Target Company") was incorporated on 26 September 2014 and inactive during the Relevant Period, Hence, we only set out SGDL's financial information.

(a) For the year ended 30 June 2012 as compared to the year ended 30 June 2011

Business Review

The revenue of SGDL mainly generated from rental income of investment property. For the year ended 30 June 2012 revenue decreased by 21% to approximately HK$202,000 as compared to HK$256,000 in preceding year. The decrease due to flexible terms regard of leasing period have been made with lessees during the year, as SGDL prepare to reconstructing the property in the subsequent year.

SGDL recorded a loss for the year of approximately HK$5,047,000, as compared to the loss of approximately HK$3,540,000 in the preceding year. The loss for the year was principally attributable to finance cost of bank loan interest expenses.

Investment Property

SGDL had completed the acquisition of the property suited at Hong Kong at No.8 Lomond Road including the remaining portions of Section C of Kowloon Inland Lot No. 4164 and sub-section 1 of Section C of Kowloon Inland Lot No. 4164 during the year ended 30 June 2012 and those properties had generated revenue as rental income.

Liquidity and Financial Resources

As at 30 June 2012, SGDL had cash and bank balance amounting to approximately HK$1,206,000 (2011: HK$499,000). As at 30 June 2012, SGDL's current ratio was 0.02 (2011: approximately 0.17) which was calculated on the basis of current asset of approximately HK$1,219,000 (2011: HK$9,154,000) to current liabilities of approximately HK$80,242,000 (2011: HK$53,852,000). During the year ended 30 June 2012, SGDL financed its projects and operation primarily through loans from banks and shareholders.

SGDL had loan from shareholders which amounting to approximately HK$60,236,000 for the year (2011: HK$53,236,000). The loans were unsecured, interest free and will not be settled within next twelve months.

In addition, SGDL had general banking facilities as at 30 June 2012, which amounting to HK$80,000,000 granted by DBS Bank (Hong Kong) Limited, which secured by investment property and personal guarantees executed by shareholders of SGDL.

Capital Structure

During the year ended 30 June 2012, there was no change to the share capital of SGDL.

Pledge on SGDL Assets

As at 30 June 2012, SGDL had general banking facilities available for use amounting to HK$80,000,000. On 27 July 2011, SGDL had total banking facilities to the extent of HK$53,600,000 (2011: HK$53,600,000) granted by Bank of China which secured by legal charge over investment property of SGDL, and then discharged to the extend of HK$80,000,000 granted by DBS bank (Hong Kong) Limited on 26 September 2011 which secured by same investment property and personal guarantees executed by shareholders of SGDL.

According to bank facility letter indicate, all or any part of the secured bank loan, interest thereon and any other sums owing under the banking facility is subject to the bank's customary overriding right of repayment on demand at any time or cancel all or any of the banking facility at any time.

Material Acquisitions and Disposals

During the year ended 30 June 2012, SGDL finished total investment with outstanding balance of amounting to approximately HK$38,489,000 of the property where located at Hong Kong for rental income generating purpose. Detail of acquisition are disclosed in the notes to the financial statements of the annual report of SGDL. Except above, SGDL did not acquire or dispose of any material subsidiaries and associates during the year ended 30 June 2012.

Contingent Liabilities

As at 30 June 2012, SGDL did not have any significant contingent liabilities.

Exposure on Foreign Exchange Fluctuations

SGDL's reporting currency is Hong Kong dollar. During the year ended 30 June 2012 and 2011, all SGDL's transactions were denominated in Hong Kong dollar ("HK$"). SGDL did not have any exposure on foreign exchange fluctuation during the year under review.

Capital Expenditure and Capital Commitments

As at 30 June 2012, SGDL did not have any significant capital expenditure or capital commitments.

(b) For the year ended 30 June 2013 as compared to the year ended 30 June 2012

Business Review

For the year ended 30 June 2013, the revenue which generated from rental income of investment property were decreased by 59% to approximately HK$82,000 as compared to HK$202,000 in preceding year, due to the property owned by SGDL were start reconstruction from 26 November 2012 and for which the property not yet constructing were used to generated rental income.

SGDL recorded a loss for the year of HK$4,708,000, as compared to the loss of HK$5,047,000 in the preceding year. The loss for the year was principally attributable to finance cost bank loan interest expenses.

Property Under Development

From 26 November 2012, SGDL began to redevelop the investment property and accordingly the cost of the investment property HK$124,684,000 were transferred to property under development includes accumulated depreciation of investment property HK$7,454,000.

Then the net carrying amount of property under development HK$117,230,000 transferred from investment property, with construction expenditure amounting to HK$2,886,000 and capitalised borrowing cost HK$6,000 of the year. Total cost of property under development is HK$120,122,000 at the end of the year.

Liquidity and Financial Resources

As at 30 June 2013, SGDL had cash and bank balance amounting to HK$473,000 (2012: HK$1,206,000), decreased approximately 61%. Hence, as at 30 June 2013, SGDL's current ratio was decreased to 0.01 (2012: approximately 0.02) which was calculated on the basis of current asset of HK$493,000 (2012: HK$1,219,000) to current liabilities of HK$82,059,000 (2012: HK$80,242,000). During the year ended 30 June 2013, SGDL financed its projects and operation primarily through loans from banks and shareholders.

SGDL had loans from shareholders which amounting to HK$63,636,000 for the year (2012: HK$60,236,000). The loans were unsecured, interest free and will not be settled within next twelve months.

In addition, SGDL had general banking facilities as at 30 June 2013, which amounting to HK$82,000,000 granted by Hang Seng Bank Limited, which secured by property under development and personal guarantees executed by shareholders of SGDL.

Capital Structure

During the year ended 30 June 2013, there was no change to the share capital of SGDL.

Pledge on SGDL Assets

On 17 June 2013, SGDL change banking facilities to extend of HK$82,000,000 granted by Hang Seng Bank Limited which secured by the property under development and personal guarantees executed by shareholders of SGDL. And the banking facilities with amount of HK$80,000,000 granted by DBS bank (Hong Kong) Limited which secured by same legal charge over property under development and personal guarantees were discharged during the year ended 30 June 2013.

According to bank facility letter indicate, all or any part of the secured bank loan, interest thereon and any other sums owing under the banking facility is subject to the bank's customary overriding right of repayment on demand at any time or cancel all or any of the banking facility at any time.

Material Acquisitions and Disposals

During the year ended 30 June 2013, SGDL did not acquire or dispose of any material property or subsidiary and associate.

Contingent Liabilities

As at 30 June 2013, SGDL did not have any significant contingent liabilities.

Exposure on Foreign Exchange Fluctuations

SGDL's reporting currency is Hong Kong dollar. During the year ended 30 June 2013 and 2012, all SGDL's transactions were denominated in Hong Kong dollar ("**HK$**"). SGDL did not have any exposure on foreign exchange fluctuation during the year under review.

Capital Expenditure and Capital Commitments

As at 30 June 2013 and 2012, other than the discussion disclosed in the topic of property under development in above, SGDL did not have any significant capital expenditure or capital commitments.

(c) For the year ended 30 June 2014 as compared to the year ended 30 June 2013

Business Review

As all tenancy agreements under investment property have been terminated in preceding year and the property under development is not available for leasing during the year. Hence, no rental income generated for the year (2013: HK$82,000).

SGDL recorded a loss for the year of approximately HK$3,139,000, as compared to the loss of approximately HK$4,708,000 in the preceding year. The loss for the year was principally attributable to finance cost of bank loan interest expenses.

Property Under Development

The cost of property under development consist of net carrying amount approximately HK$120,122,000 with construction expenditure amount to approximately HK$9,077,000 (2013: HK$2,886,000) and capitalised borrowing cost of approximately HK$114,000 (2013: HK$6,000) incurred during the year, added to total cost of property under development of HK$129,313,000.

Liquidity and Financial Resources

As at 30 June 2014, SGDL had cash and bank balance amounting to approximately HK$944,000 (2013: HK$473,000), which were 100% increased but SGDL's current ratio remain same as 0.01 (2013: 0.01) which contributed to calculation basis on current asset of HK$944,000 (2013: HK$493,000) divided by current liabilities of approximately HK$90,915,000 (2013: HK$82,059,000). During the year ended 30 June 2014, SGDL financed its projects and operation primarily through loans from banks and shareholders.

Besides, SGDL had loans from shareholders of which amounting to approximately HK$67,561,000 for the year (2013: HK$63,636,000). The loans were unsecured, interest free and will not be settled within next twelve months.

In addition, SGDL had general banking facilities as at 30 June 2014, which amounting to HK$90,800,000 granted by Hang Seng Bank Limited, which secured by property under development and personal guarantees executed by shareholders of SGDL.

Capital Structure

During the year ended 30 June 2014, there was no change to the share capital of SGDL.

Pledge on SGDL's Assets

During the year ended 30 June 2014, SGDL change banking facilities to extend of HK$90,800,000 granted by Hang Seng Bank Limited which secured by the property under development and personal guarantees executed by shareholders of SGDL.

According to bank facility letter indicate, all or any part of the secured bank loan, interest thereon and any other sums owing under the banking facility is subject to the bank's customary overriding right of repayment on demand at any time or cancel all or any of the banking facility at any time.

Material Acquisitions and Disposals

During the year ended 30 June 2014, SGDL did not acquire or dispose of any material property or subsidiary and associate.

Contingent Liabilities

As at 30 June 2014, SGDL did not have any significant contingent liabilities.

Exposure on Foreign Exchange Fluctuations

SGDL's reporting currency is Hong Kong dollar. During the year ended 30 June 2014 and 2013, all SGDL's transactions were denominated in Hong Kong dollar ("**HK$**"). SGDL did not have any exposure on foreign exchange fluctuation during the year under review.

Capital Expenditure and Capital Commitments

As at 30 June 2014 and 2013, other than the discussion disclosed in the topic of property under development in above, SGDL did not have any significant capital expenditure or capital commitments.

(d) For the period ended 28 February 2015 as compared to the year ended 30 June 2014

Business Review

As the property under development is not in condition for leasing, no rental income had been generated during the period ended 28 February 2015 (2014: Nil).

SGDL recorded a loss for the period is HK$1,502,000 (2014: HK$3,139,000). The loss for the period was principally attributable to finance cost of bank loan interest expenses.

Property Under Development

The cost of property under development consist of net carrying amount approximately HK$129,313,000 with construction expenditure amount to approximately HK$7,008,000 (2014: HK$9,077,000) and capitalised borrowing cost approximately HK$271,000 (2014: HK$114,000) incurred during the period ended 28 February 2015. Total cost of property under development of approximately HK$136,592,000.

Liquidity and financial resources

As at 28 February 2015, the cash and bank balance of SGDL decreased to HK$1,000 (2014: HK$944,000) due to repayment of bank loans and other construction expenditures. SGDL's current ratio during the period is too minimal which calculated on the basis of current asset of HK$1,000 (2014: HK$944,000) to current liabilities of HK$424,000 (2014: HK$90,915,000). During the period ended 28 February 2015, SGDL financed its projects and operation primarily through loans from shareholders.

SGDL had loans from shareholders of which amounting to approximately HK$165,890,000 for the period (2014: HK$67,561,000). The loans were unsecured, interest free and will not be settled within next twelve months.

Capital Structure

During the period ended 28 February 2015, there was no change to the share capital of SGDL.

Pledge on SGDL's Assets

During the period ended on 28 February 2015, SGDL discharge its banking facilities which have extend of HK$95,000,000 granted by Hang Seng Bank Limited, which secured only by personal guarantees executed by shareholders of SGDL. Hence, no more secured bank loan under the SGDL as at 28 February 2015.

Material Acquisitions and Disposals

During the period ended 28 February 2015, Goldee Holdings Limited acquired 100% shareholdings in SGDL, detail of acquisition of subsidiaries are disclosed in the notes to the financial statement of the annual report of SGDL. Except above, SGDL did not acquire or dispose of any material properties or subsidiaries and associates.

Contingent Liabilities

As at 28 February 2015, SGDL did not have any significant contingent liabilities.

Exposure on Foreign Exchange Fluctuations

SGDL's reporting currency is Hong Kong dollar. During the period ended 28 February 2015 and year ended 30 June 2014, all SGDL's transactions were denominated in Hong Kong dollar ("HK$"). SGDL did not have any exposure on foreign exchange fluctuation during the period under review.

Capital Expenditure and Capital Commitments

As at 28 February 2015 and 30 June 2014, other than the discussion disclosed in the topic of property under development in above, SGDL did not have any significant capital expenditure and/or capital commitments.

PART B. ACCOUNTANTS' REPORT OF THE TARGET GROUP

The following is the text of a report, prepared for the sole purpose of inclusion in this Circular from the independent reporting accountants of the Target Company, Elite Partners CPA Limited, Certified Public Accountants.

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B-4A, 20th Floor,
Block 5, China Hong Kong City,
33 Canton Road,
Tsim Sha Tsui, Kowloon, Hong Kong

26 May 2015

The Board of Directors
Celebrate International Holdings Limited
Room 2609-10, 26/F.,
China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

We report on the financial information of Goldee Holdings Limited (the "**Target Company**") and its subsidiary (hereinafter collectively referred to as the "**Target Group**"), which comprises the consolidation statement of financial position as at 28 February 2015, and the consolidation statement of profit or loss and other comprehensive income, the consolidation statement of changes in equity and the consolidation statement of cash flows of the Target Group for period from 26 September 2014 (date of incorporation) to 28 February 2015 (the "**Relevant Period**"), together with the explanatory notes thereto (the "**Financial Information**"). This Financial Information has been prepared by the director of the Target Company for inclusion in Appendix III to the circular issued by Celebrate International Holdings Limited (the "**Company**") dated 26 May 2015 (the "**Circular**") in connection with the proposed acquisition of 51% equity interests in the Target Company by the Company.

At the date of this report, no audited financial statements have been prepared for the Target Company as it is not subject to statutory audit requirement under the relevant rules and regulations in the jurisdiction of incorporation.

The Target Company was incorporated in the British Virgin Islands (the "**BVI**") with limited liabilities on 26 September 2014. The Target Company is principally engaged in investment holding.

At the date of this report, the Target Company has direct interest in a subsidiary, namely Super Group Development Limited ("**SGDL**"), which was incorporated in Hong Kong on 8 January 1997 with limited liability under the Hong Kong Companies Ordinance. The principal activity of the SGDL is property investment and development. The statutory financial statements of SGDL for the three years ended 30 June 2012, 2013 and 2014 were prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standards (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The statutory financial statement of SGDL for the three years ended 30 June 2012, 2013 and 2014 were audited by Liu Kan Lung Certified Public Accountant (Practising).

For the purpose of this report, the director of the Target Company have prepared the financial statements of the Target Group for the Relevant Period, together with the notes thereto (the "**Underlying Financial Statements**") in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA. The Financial Information for the Relevant Period are prepared based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the applicable disclosure provisions of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

Respective Responsibilities of Director of the Target Company and Reporting Accountant

The director of the Target Company is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the GEM Listing Rules, and for such internal control as the director of the Target Group determine is necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error. The director of the Target Company is also responsible for the contents of the Circular in which this report is included.

It is our responsibility to form an independent opinion on the Financial Information for the Relevant Period based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing and the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the Financial Information are free from material misstatement.

Opinion

In our opinion, for the purpose of this report, the Financial Information gives true and fair view of the state of affairs of Target Group as at 28 February 2015 and of the results and cash flows for the Relevant Period then ended in accordance with HKFRSs.

Without qualifying our opinion, we draw attention to note 3 to the Financial Information which indicate that the Target Group has net current liabilities of HK$448,000 and net liabilities of HK$24,000 as at 28 February 2015 respectively. These conditions, along with other matters as set forth in note 3, indicate the existence of a material uncertainty which may cast significant doubt about the Target Group's ability to continue as a going concern.

A. FINANCIAL INFORMATION

Consolidated Statement of Profit or Loss and Other Comprehensive Income of the Target Group

	Notes	For the period from 26 September 2014 (Date of incorporation) to 28 February 2015 HK$'000
Turnover		–
Administrative expenses		(25)
Loss from operations	7	(25)
Finance costs		–
Loss before tax		(25)
Income tax	8	–
Loss and total comprehensive expenses for the period		(25)

The accompanying notes form an integral part of the Financial Information

Consolidated Statement of Financial Position of the Target Group

	Notes	**As at 28 February 2015** *HK$'000*
ASSET		
Non-current asset		
Property under development	10	298,424
Current asset		
Cash and bank balances	11	1
Total assets		298,425
CAPITAL AND RESERVES		
Share capital	14	1
Accumulated losses		(25)
Total equity		(24)
LIABILITIES		
Non-current liabilities		
Shareholders' loans	12	298,000
Current liabilities		
Accruals and other payables		193
Amount due to a director	13	256
		449
Total liabilities		298,449
Total equity and liabilities		**298,425**
Net current liabilities		**(448)**
Total assets less current liabilities		**297,976**
Net liabilities		**(24)**

The accompanying notes form an integral part of the Financial Information.

Consolidated Statement of Changes in Equity of the Target Group

	Share capital	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 26 September 2014 (Date of incorporation)	–	–	–
Issuance of share	1	–	1
Loss and total comprehensive expenses for the period	–	(25)	(25)
At 28 February 2015	1	(25)	(24)

Consolidated Statement of Cash Flows of the Target Group

	For the period from 26 September 2014 (Date of incorporation) to 28 February 2015
	HK$'000
Operating activities:	
Loss before taxation	(25)
Operating loss before working capital changes	(25)
Increase in accruals and other payables	190
Increase in amount due to a director	256
Net cash generated from operating activities	421
Investing activities	
Payments of property under development	(422)
Net cash inflow from acquisition of a subsidiary	1
Net cash used in investing activities	(421)
Financing activities	
Issuance of share	1
Net cash generated from financing activities	1
Net increase in cash and cash equivalents	1
Cash and cash equivalents at the beginning of the period	–
Cash and cash equivalents at the end of the period	1
Analysis of balances of cash and cash equivalents	
Cash and bank balances	1

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION OF THE TARGET GROUP

The Target Company was incorporated on 26 September 2014 in the BVI under limited liability. Its registered office is located at Coastal Building, Wickham's Cay II, P.O. Box 2221, Road Town, Tortola, British Virgin Islands ("**BVI**").

The principal activity of the Target Company is investment holding, and the principal activities of its subsidiary is property investment, details of which are set out in note 16 of Appendix III.

The director of the Target Company consider that the functional currency and presentation currency of the Financial Information of the Target Company represented in thousands of unit of Hong Kong dollars ("**HK$'000**"), as the director of the Target Company consider it is more beneficial to the users of the Financial Information.

The director of the Target Company consider the ultimate holding company of the Target Company is Champion Prospect Limited, which was incorporated in BVI and does not publish financial statement available for public use.

2. APPLICATION OF NEW AND REVISED HKFRSs

For the purpose of preparing and presenting the Financial Information of the Relevant Period, the Target Group has adopted all new and revised HKFRSs, which are relevant to its operations and effective during the Relevant Period.

Standards and Interpretations issued but not yet adopted

The Target Group has not early applied the following new standards and amendments to standards that have been issued but are not yet effective during the Relevant Period.

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]

[1] Effective for annual periods beginning on or after 1 January 2018
[2] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2016

The director of the Target Company anticipate that the application of these new and revised HKFRSs will have no material impact on the results and the Financial Information of the Target Group in the reporting period of initial application.

3. BASIS OF PREPARATION

The Financial Information has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and accounting principles generally accepted in Hong Kong. The accounting policies of the Target Group are materially consistent with the Company's accounting policies. The Financial Information have been prepared under the historical cost convention throughout the Relevant Period.

The preparation of the Financial Information in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Target Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in note 4.

The Financial Information have been prepared on a going concern basis. The Target Group has net current liabilities and net liabilities of approximately HK$448,000 and HK$24,000 respectively as at 28 February 2015 and its continuance in business as a going concern is dependent upon the Target Group maintaining future profitable operations and its financial support from its shareholder. The Financial Information have been prepared on a going concern basis as the utilmate holding company of the Target Company have confirmed to provide continuing financial support to the Target Group to enable it to continue as a going concern as going concern and to settle its liabilities as and when they fall due.

Basis of consolidation

The Financial Information incorporate the financial statements of the Target Company and entities controlled by the Target Company and its subsidiaries. Control is achieved when the Target Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Target Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Target Company obtains control over the subsidiary and ceases when the Target Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Target Company gains control until the date when the Target Company ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Target Company and to the non-controlling interests. Total comprehensive income of subsidiary is attributed to the owners of the Target Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Target Company's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Company are eliminated in full on consolidation.

Business combination

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Target Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Target Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Target Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, available-for-sale investment), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

For the purposes of impairment testing, goodwill is allocated to each of the Target Company's cash generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit.

Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognized for goodwill is not reversed in subsequent periods. The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

Property under development

Property under development in the course of construction for production, supply or administrative or long-term investment purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such property under development are classified to the appropriate categories of property, plant and equipment or investment properties when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

Financial instruments

Financial assets and financial liabilities are recognised when the Target Group becomes a party to the contractual provisions of the instrument.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Target Group transfers substantially all the risks and rewards of ownership of the assets; or the Target Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

The Target Group classifies its financial assets into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest income is recognised in profit or loss on an effective interest basis.

(iii) Impairment of financial assets

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. At the end of each reporting period, financial assets are reviewed to determine whether there is any objective evidence of impairment.

For certain categories of financial assets, such as assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition

The Target Group derecognised a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Target Group neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, the Target Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Target Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Target Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Target Group classifies its financial liabilities into other financial liabilities.

(i) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the Relevant Period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition

The Target Group derecognises financial liabilities when, and only when, the Target Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provision

A provision is recognised when the Target Group has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision is the present value at the end of the Relevant Period of the expenditures expected to be required to settle the obligation.

Current assets and current liabilities

Current assets are expected to be realised within twelve months of the end of the financial period or in the normal course of the Target Group's operating cycle. Current liabilities are expected to be settled within twelve months of the Relevant Period or in the normal course of the Target Group's operating cycle.

Impairment of assets

At the end of the reporting period, the Target Group reviews the carrying amounts of its tangible assets with finite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. When it is not possible to estimate the recoverable amount of an individual asset, the Target Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Target Company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. If the recoverable amount of an asset (or a cash-generating unit) is reduced to its recoverable amount, an impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Revenue

The Target Group did not generate any revenue during the Relevant Period.

Interest income is accrued on a time proportion basis by reference to the principal outstanding and the applicable interest rate.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the Relevant Period. Taxable profit is the profit for the Relevant Period, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available which deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each end of the Relevant Period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the Relevant Period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Target Group intends to settle its current tax assets and liabilities on a net basis.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Target Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of the Target Group. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Related parties

A related party is a person or entity that is related to the Target Group.

(a) A person or a close member of that person's family is related to the Target Group if that person:

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company.

(b) An entity is related to the Target Group if any of the following conditions applies:

(i) The entity and the Target Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group. If the Target Group is itself such a plan, the sponsoring employers are also related to the Target Group.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of assets

In considering the impairment loss that may be required for the Target Group's assets, the recoverable amounts of the assets have to be determined.

The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the assets are discounted to their present values, which require significant judgment relating to items such as level of sales volume, selling price and amount of operating costs. The Target Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount.

Income taxes and deferred taxation

The Target Group is subject to profits taxes in Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5. SEGMENT INFORMATION

The Target Group has been operating in one single operating and reportable segment which engaged in properties investment. Information reported to the Target Group's chief operating decision maker, for the purpose of resources allocation and assessment performance is focused on the operating results of the Target Group as a whole as the Target Group's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis is presented.

The Target Group's operations are principally located in Hong Kong. Accordingly, no geographical segment information is presented.

6. DIRECTOR'S REMUNERATION

(a) Director's remuneration

The remuneration paid and payable of the director of the Target Company during the Relevant Period are analysed as follows:

For the period from 26 September 2014 (Date of incorporation) to 28 February 2015

	Fee	Salaries and other benefits	Retirement benefits scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Ng Kwok Ming Michael	–	–	–	–

During the Relevant Period, no remunerations of director of the Target Company has been paid which would have been classified as those fall within HK$Nil to HK$1,000,000.

During the Relevant Period, no remunerations has been paid by the Target Group to the director as an inducement to join the Target Group, as compensation for loss of office or as commitment fees to existing director for entering into new services contracts with the Target Group.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Period.

(b) Five highest paid employees

During the Relevant Period, no remunerations has been paid by the Target Group to any of the five highest paid employees as an inducement to join the Target Group, as compensation for loss of office or as commitment fees to existing director for entering into new services contracts with the Target Group.

7. LOSS FROM OPERATIONS

Loss from operations is arrived at after charging:

	For the period from 26 September 2014 (Date of incorporation) to 28 February 2015
	HK$'000
Auditor's remuneration	–

8. INCOME TAX

No Hong Kong profits tax has been provided as no assessable profit arising in Hong Kong during the Relevant Period.

No provision for deferred tax liabilities has been made as the Target Company had no material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Information.

9. EARNINGS PER SHARE

No earnings per share information has been presented as its inclusion, for the purpose of this report, was not considered meaningful.

10. PROPERTY UNDER DEVELOPMENT

	At 28 February 2015
	HK$'000
Cost	
At 26 September 2014 (Date of incorporation)	–
Acquisition of a subsidiary	298,002
Addition	422
At 28 February 2015	298,424

The property under development comprised land in Hong Kong held under medium-term lease.

11. CASH AND BANK BALANCES

	At 28 February 2015
	HK$'000
Cash and bank balances denominated in	
– Hong Kong Dollars ("**HK$**")	1

12. SHAREHOLDERS' LOANS

The shareholders' loans are unsecured, interest free and will not be settled within twelve months.

13. AMOUNT DUE TO A DIRECTOR

The amount due to a director is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	At 28 February 2015
	HK$'000
Ordinary share, issued and fully paid:	
1 ordinary share	1

Pursuant to the Target Company's memorandum of association, the Target Company is authorised to issue a maximum of 50,000 no par value shares of a single class.

15. ACQUISITION OF A SUBSIDIARY

On 14 January 2015, the Target Company completed the acquisition of 100% equity interests in SGDL ("**Acquisition**") from an independent third party. The purchase consideration for the Acquisition was HK$298,000,000, which has been satisfied by shareholders' loans.

The following table summarise the fair value of assets acquired and liabilities assumed at the date of Acquisition:

	Carrying amount	Fair value adjustment	Fair value
	HK$'000	*HK$'000*	*HK$'000*
Property under development	136,592	161,410	298,002
Cash and cash equivalent	1		1
Accruals	(3)		(3)
Shareholders' loans	(165,890)		(165,890)
Total identifiable net (liabilities)/ assets at fair value	(29,300)		132,110
Add: Sales loan			165,890
			298,000

An analysis of the cash flows in respect of the Acquisition is as follows:

	HK$'000
Cash and cash equivalents acquired	1
Net cash inflow of cash and cash equivalents	1

Since the completion of the Acquisition, SGDL contributed no revenue to the Target Company for the period ended 28 February 2015.

Had the combination taken place at the beginning of the period, the revenue and the loss of the Target Group would have been HK$Nil and HK$25,000, respectively.

16. FINANCIAL INSTRUMENTS

The carrying amounts of the Target Group's financial assets and liabilities by category of financial instruments included in the consolidated statement of financial position are as follows:

	At 28 February 2015
	HK$'000
Financial assets by category	
– Cash and bank balances	1
Financial liabilities by category	
– Shareholders' loans	298,000
– Accruals and other payables	193
– Amount due to a director	256
	298,449

17. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Target Group has no written risk management policies and guidelines. The director of the Target Company is responsible to analyse and formulate strategies to manage and monitor the Target Group's exposure to variety of risks associated with financial instruments which arise from the Target Company's operating activities. Generally, the Target Group employs conservative strategies regarding its risk management to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how to these risks are mitigated are described as follows:

Market risks:

(a) Interest rate risk

The Target Group currently does not exposed to any interest rate risks since the Target Group has no interest bearing financial liabilities as at the end of the Relevant Period.

(b) Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Target Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in Hong Kong dollars, which is the functional currency of the Target Group. Accordingly, no foreign currency risk analysis has been presented. The Target Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Target Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(c) Credit risk

As at end of the Relevant Period, the Target Group's maximum exposure to credit risk which will cause a financial loss to the Target Group due to failure to perform an obligation by the counterparties, is the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Credit risk on cash and bank balances are mitigated as counterparties are banks or financial institutions with high credit rating. Credit risk on deposits and prepayments is minimal as the Target Group performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the aging of the receivables balances, follow up action is taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually or collectively at each date of the reporting year to ensure that adequate impairment losses are made for irrecoverable amounts.

(d) Liquidity risk

Liquidity risk is the risk that the Target Group is unable to meet its current obligations when they fall due. The Target Group closely monitors its liquidity through maintaining sufficient cash and the availability of funding from a fellow subsidiary and through an adequate amount of credit facility.

The relevant maturity groupings on the contractual undiscounted cash flows based on the remaining period at the consolidated statement of financial position to the contractual maturity date of the Target Group's and the Target Company's liabilities are analysed in the financial information.

The tables below analyse the Target Group's and the Company's liabilities that will be settled into relevant maturity groupings based on the remaining period at end of the Relevant Period to the contractual maturity date. The amounts disclosed in the table are the contractual fair value without applying discounted cash flow model based on the earliest date on which the Target Group is required to pay:

At 28 February 2015

	Over 1 year	**Within 2-5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
Shareholders' loans	–	298,000	298,000

18. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Target Group's objectives when managing capital are:

- To safeguard the Target Group's ability to continue as a going concern, so that it continues to provide returns for shareholder and benefits for other stakeholders;
- To support the Target Group's stability and growth; and
- To provide capital for the purpose of strengthening the Target Group's risk management capability.

The Target Group actively and regularly reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Target Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the relevant reporting period.

The Target Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Target Group's total capital comprises all components of equity and net debt includes accruals and other payables, amount due to shareholders, less cash and bank balances.

19. MAJOR NON-CASH TRANSACTIONS

Except for transaction as disclosed in note 16 to the Financial Information. The Target Group had no other major non-cash transactions during the Relevant Period.

20. SUBSEQUENT EVENTS

No significant events took place subsequent to the Relevant Period.

Your faithfully,
Elite Partners CPA Limited
Certified Public Accountants
Hong Kong
Yip Kai Yin
Practising Certificate Number: P05131

PART C. ACCOUNTANTS' REPORT OF SGDL

The following is the text of a report received from SGDL's reporting accountant, Elite Partners CPA Limited, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B-4A, 20th Floor,
Block 5, China Hong Kong City,
33 Canton Road,
Tsim Sha Tsui, Kowloon,
Hong Kong

26 May 2015

The Broad of Directors
Celebrate International Holdings Limited
Room 2609-10, 26/F.,
China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

We report on the financial information (the "**Financial Information**") of Super Group Development Limited ("**SGDL**"), which comprises the statement of financial position as at 30 June 2012, 2013, 2014 and 28 February 2015, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for each of the years ended 30 June 2012, 2013, 2014 and the eight months ended 28 February 2015 (the "**Relevant Periods**") and a summary of significant accounting policies and other explanatory information together with the unaudited financial information of SGDL including statement of profit or loss and other comprehensive income, statement of cash flows and statement of changes in equity for the eight months ended 28 February 2014 ("**Corresponding Financial Information**"). This Financial Information has been prepared by the director of the SGDL for inclusion in Appendix III to the circular issued by Celebrate International Holdings Limited (the "**Company**") dated 26 May 2015 (the "**Circular**") in connection with the proposed acquisition of 51% equity interests in Goldee Holdings Limited (the "**Target Company**") and its subsidiary (the "**Target Group**") by the Company.

SGDL was incorporated in Hong Kong on 8 January 1997 with limited liability under Hong Kong Companies Ordinance and is principally engaged in property investment and development.

The statutory financial statements of SGDL for the three years ended 30 June 2012, 2013 and 2014 were prepared in accordance with the Small and Medium-sized Entity Financial Reporting Standards (SME-FRS) issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). The statutory financial statements of SGDL for the three years ended 30 June 2012, 2013 and 2014 were audited by Liu Kam Lung Certified Public Accountant (Practising).

For the purpose of this report, the directors of SGDL has prepared the financial statements of SGDL for the Relevant Periods, together with the notes thereto (the "**Underlying Financial Statements**") in accordance with Hong Kong Financial Report Standards issued by the HKICPA. The Financial Information for the Relevant Periods are prepared based on the Underlying Financial Statements, with no adjustments made thereon and in accordance with the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Growth Enterprise Market on The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**").

Respective Responsibilities of directors of SGDL and Reporting Accountant

The directors of SGDL are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the GEM Listing Rules, and for such internal control as the directors of SGDL determine are necessary to enable the preparation of the Financial Information that is free from material misstatement, whether due to fraud or error. The directors of SGDL are also responsible for the contents of the Circular in which this report is included.

It is our responsibility to form an independent opinion on the Financial Information for the Relevant Periods based on our audit. We conducted our audit in accordance with Hong Kong Standards on Auditing and the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

Opinion

In our opinion, for the purpose of this report, the Financial Information gives true and fair view of the state of affairs of SGDL as at 30 June 2012, 2013, 2014 and 28 February 2015 and of the results and cash flows for the Relevant Periods then ended in accordance with Hong Kong Financial Reporting Standards.

Without qualifying our opinion, we draw attention to note 3 to the Financial Information which indicate that SGDL has net current liabilities of HK$79,023,000, HK$81,566,000, HK$89,971,000 and HK$423,000 as at 30 June 2012, 2013, 2014 and 28 February 2015 respectively. These conditions, along with other matters as set forth in note 3, indicate the existence of a material uncertainty which may cast significant doubt about SGDL's ability to continue as a going concern.

Corresponding Financial Information

For the purpose of this report, we have reviewed the unaudited financial information of SGDL including the statement of profit or loss and other comprehensive income, statement of financial position of SGDL, statement of changes in equity and statement of cash flow for the eight months ended 28 February 2014, together with the notes thereto (the "**Corresponding Information**"), for which the directors of SGDL are responsible, in accordance with Hong Kong Standards on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review consists principally of making enquiries of SGDL's management and applying analytical procedures to the Corresponding Information and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as test of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the Corresponding Information.

On the basis of our review which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Corresponding Financial Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information which conforms to the HKFRSs.

A. FINANCIAL INFORMATION

Statement of Profit or Loss and Other Comprehensive Income of SGDL

		Eight months ended 28 February		**Year ended 30 June**		
		2015	2014	2014	2013	2012
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
			(Unaudited)			
Turnover	5	–	–	–	82	202
Other income	5	1	1	1	1	23
Administrative expenses		(187)	(54)	(196)	(2,647)	(3,182)
Loss from operations	7	(186)	(53)	(195)	(2,564)	(2,957)
Finance costs	8	(1,316)	(1,882)	(2,944)	(2,144)	(2,090)
Loss before tax		(1,502)	(1,935)	(3,139)	(4,708)	(5,047)
Income tax	10	–	–	–	–	–
Loss and total comprehensive expenses for the period/year		(1,502)	(1,935)	(3,139)	(4,708)	(5,047)

The accompanying notes form an integral part of the Financial Information

Statement of Financial Position of SGDL

		As at 28 February		As at 30 June	
		2015	2014	2013	2012
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Non-current assets					
Property under development	12	136,592	129,313	120,122	–
Investment properties	12	–	–	–	118,887
		136,592	129,313	120,122	118,887
Current assets					
Other receivables		–	–	5	–
Amount due from a related company	13	–	–	15	13
Cash and bank balances	14	1	944	473	1,206
		1	944	493	1,219
Total assets		136,593	130,257	120,615	120,106
CAPITAL AND RESERVES					
Share capital	15	10	10	10	10
Reserves		(29,731)	(28,229)	(25,090)	(20,382)
Total equity		(29,721)	(28,219)	(25,080)	(20,372)
LIABILITIES					
Non-current liabilities					
Shareholders' loans	16	165,890	67,561	63,636	60,236
Current liabilities					
Rental deposit received		–	–	–	36
Accruals and other payables		193	115	59	206
Amount due to a director	17	231	–	–	–
Secured bank loans	18	–	90,800	82,000	80,000
		424	90,915	82,059	80,242
Total liabilities		166,314	158,476	145,695	140,478
Total equity and liabilities		136,593	130,257	120,615	120,106
Net current liabilities		(423)	(89,971)	(81,566)	(79,023)
Total assets less current liabilities		136,169	39,342	38,556	39,864
Net liabilities		(29,721)	(28,219)	(25,080)	(20,372)

The accompanying notes form an integral part of the Financial Information.

Statement of Changes in Equity of SGDL

	Attributable to owners of SGDL		
	Share capital	**Accumulated losses**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 July 2011	10	(15,335)	(15,325)
Loss and total comprehensive expenses for the year	–	(5,047)	(5,047)
At 30 June 2012 and 1 July 2012	10	(20,382)	(20,372)
Loss and total comprehensive expenses for the year	–	(4,708)	(4,708)
At 30 June 2013 and 1 July 2013	10	(25,090)	(25,080)
Loss and total comprehensive expenses for the year	–	(3,139)	(3,139)
At 30 June 2014 and 1 July 2014	10	(28,229)	(28,219)
Loss and total comprehensive expenses for the period	–	(1,502)	(1,502)
At 28 February 2015	10	(29,731)	(29,721)
At 1 July 2013	10	(25,090)	(25,080)
Loss and total comprehensive expenses for the period	–	(1,935)	(1,935)
At 28 February 2014 (Unaudited)	10	(27,025)	(27,015)

Statement of Cash Flows of SGDL

	Eight months ended 28 February		Year ended 30 June		
	2015	**2014**	**2014**	**2013**	**2012**
	HK$'000	*HK$'000* (Unaudited)	*HK$'000*	*HK$'000*	*HK$'000*
Loss from operations	(1,502)	(1,935)	(3,139)	(4,708)	(5,047)
Adjustments for:					
Depreciation	–	–	–	1,657	2,210
Interest expense	1,316	1,882	2,944	2,144	2,090
Interest income	(1)	(1)	(1)	(1)	(10)
Operating loss before working capital changes	(187)	(54)	(196)	(908)	(757)
Decrease/(Increase) in other receivables	–	(6)	5	(5)	8,646
Decrease/(Increase) in amount due from a related company	–	5	15	(2)	(3)
Increase/(Decrease) in accruals and other payable	78	903	56	(147)	(10)
Increase/(Decrease) in rental deposit received	–	–	–	(36)	–
Increase/(Decrease) in amount due to a director	231	–	–	–	–
Net cash inflow/(outflow) from operating activities	122	848	(120)	(1,098)	7,876
Interest paid	(1,587)	(1,958)	(3,058)	(2,150)	(2,090)
Interest received	1	1	1	1	10
Net cash (used in)/generated from operating activities	(1,464)	(1,109)	(3,177)	(3,247)	5,796

	Eight months ended 28 February		Year ended 30 June		
	2015	2014	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Unaudited)			
Financing activities					
(Decrease)/Increase in secured bank loans	(90,800)	6,700	8,800	2,000	26,400
Increase in shareholders' loans	98,329	1,991	3,925	3,400	7,000
Net cash generated from financing activities	7,529	8,691	12,725	5,400	33,400
Investing activities					
Payments for property under development	(7,008)	(6,839)	(9,077)	(2,886)	–
Addition of investment property	–	–	–	–	(38,489)
Net cash used in investing activities	(7,008)	(6,839)	(9,077)	(2,886)	(38,489)
Net (decrease)/increase in cash and cash equivalents	(943)	743	471	(733)	707
Cash and cash equivalents at the beginning of the period/year	944	473	473	1,206	499
Cash and cash equivalents at the end of the period/year	1	1,216	944	473	1,206
Analysis of balances of cash and cash equivalents					
Cash and cash equivalents at the end of the period/year	1	1,216	944	473	1,206

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION OF THE SGDL

Super Group Development Limited ("**SGDL**") was incorporated on 8 January 1997 in Hong Kong with limited liability under the Hong Kong Companies Ordinance. The principal activity of SGDL is property investment and development. Its principal place of business is located at Unit A, 10th Floor, Malahon Centre, 10-12 Stanley Street, Central, Hong Kong.

The directors of SGDL consider that the functional currency and presentation currency of the Financial Information of SGDL represented in thousands of units of Hong Kong dollars ("**HK$'000**"), as the directors of SGDL consider it is more beneficial to the users of the Financial Information.

2. APPLICATION OF NEW AND REVISED HKFRSs

For the purpose of preparing and presenting Financial Information for the Relevant Periods, SGDL has adopted all the new and revised HKFRSs, which are relevant to its operation and effective during the Relevant Periods.

Standards and Interpretations is issued but not yet adopted

SGDL has not early applied the following new and revised standards, amendments or interpretations that have been issued and are relevant to these financial statements but not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[2]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[3]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKFRS 11	Accounting for Acquisition of Interests in Joint Operations[6]
HKFRS 9	Financial Instruments[4]
HKFRS 14	Regulatory Deferral Accounts[5]
HKFRS 15	Revenue from Contracts with Customers[7]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[6]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[6]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[3]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting[1]
HK(IFRIC) – INT 21	Levies[1]

[1] Effective for annual periods beginning on or after 1 January 2014
[2] Effective for annual periods beginning on or after 1 July 2014, with limited exceptions
[3] Effective for annual periods beginning on or after 1 July 2014
[4] Available for application — the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
[5] Effective for first annual HKFRS financial statements beginning on or after 1 January 2016
[6] Effective for annual periods beginning on or after 1 January 2016
[7] Effective for annual periods beginning on or after 1 January 2017

The directors of SGDL anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the SGDL in the reporting period of initial application.

3. BASIS OF PREPARATION

The Financial Information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards issued by the HKICPA which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations ("**HKFRSs**"), the Hong Kong Companies Ordinance and the applicable disclosure requirements of the Rules Governing the Listing of Securities on Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

As at 30 June 2012, 2013, 2014 and 28 February 2015, SGDL had net current liabilities of HK$79,023,000, HK$81,566,000, HK$89,971,000 and HK$423,000 respectively. This Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support from the shareholder of the SGDL at a level sufficient to finance the working capital requirements of the SGDL and to meet all third party obligations for at least the ensuring twelve months period. The shareholder of the SGDL has confirmed to provide continuing financial support to SGDL. The directors of SGDL is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from change in the fair value of investment properties are included in profit or loss for period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the Relevant Periods which property is derecognised.

Property under development

Property under development in the course of construction for production, supply or administrative or long-term investment purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with SGDL's accounting policy. Such property under development are classified to the appropriate categories of property, plant and equipment or investment properties when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Other receivables

Other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of other receivables is established when there is objective evidence that SGDL will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Financial instruments

Financial assets and financial liabilities are recognised when SGDL becomes a party to contractual provision of the instrument.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; SGDL transfers substantially all the risks and rewards of ownership of the assets; or SGDL neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

Financial assets

SGDL classifies its financial assets into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchase or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including bank balances and cash) are measured at amortised cost using the effective interest method, less any impairment.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest income is recognised in profit or loss on an effective interest basis.

(iii) Impairment of financial assets

Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. At the end of each reporting period, financial assets are reviewed to determine whether there is any objective evidence of impairment.

For certain categories of financial assets, such as assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(iv) Derecognition

SGDL derecognised a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If SGDL neither transfer nor retain substantially all the risks and rewards of ownership and continues to control the transferred asset, SGDL recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If SGDL retains substantially all the risks and rewards of ownership of a transferred financial asset, SGDL continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

SGDL classifies its financial liabilities into other financial liabilities.

(i) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

(ii) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the Relevant Periods. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(iii) Derecognition

SGDL derecognises financial liabilities when, and only when, SGDL's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Current assets and current liabilities

Current assets are expected to be realised within twelve months of the end of the financial period or in the normal course of SGDL's operating cycle. Current liabilities are expected to be settled within twelve months of the ended of Relevant Periods or in the normal course of SGDL's operating cycle.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, which are at least tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to be amortised are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment assets are grouped at the lower levels for which there are separately identifiable cash flow (cash-generating units).

Operating lease

Leases where substantially all the risks and rewards of ownership of the assets remain with the lessors are accounted for as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the lease periods.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to SGDL and when the revenue can be measured reliably. Rental income is recognised on a time proportion basis over the leases terms, and interest income from bank deposits is accrued on a time-proportion basis by reference to the principal outstanding and the applicable interest rate.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit is the profit for the year, determined in accordance with the rules established by the taxation authorities, upon which income taxes are payable.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available which deductible temporary difference can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each end of the Relevant Periods and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the Relevant Periods. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and SGDL intends to settle its current tax assets and liabilities on a net basis.

Provision

A provision is recognised when SGDL has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of the time value of money is material, the amount of a provision is the present value at the balance sheet date of the expenditures expected to be required to settle the obligation.

Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of SGDL. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within control of SGDL. A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

Related parties

A related party is a person or entity that is related to SGDL.

(a) A person or a close member of that person's family is related to SGDL if that person:

  (i) has control or joint control over SGDL;

  (ii) has significant influence over SGDL; or

  (iii) is a member of the key management personnel of SGDL or of a parent of SGDL.

(b) An entity is related to SGDL if any of the following conditions applies:

  (i) The entity and the SGDL are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

  (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

  (iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either SGDL or an entity related to SGDL. If SGDL is itself such a plan, the sponsoring employers are also related to SGDL.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

SGDL makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of asset

In considering the impairment loss that may be required for SGDL assets, the recoverable amounts of the assets have to be determined.

The recoverable amount is the greater of the net selling price and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the assets are discounted to their present values, which require significant judgment relating to items such as level of sales volume, selling price and amount of operating costs. SGDL uses all readily available information in determining an amount that is reasonable approximation of recoverable amount.

Income taxes and deferred taxation

SGDL is subject to profits taxes in Hong Kong. Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised when management considers to be probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The outcome of their actual utilisation may be different.

5. TURNOVER AND OTHER INCOME

	Eight months ended 28 February		Year ended 30 June		
	2015	**2014**	**2014**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Unaudited)			
Rental income	–	–	–	82	202
Interest income	1	1	1	1	10
Sundry income	–	–	–	–	13
	1	1	1	1	23

6. SEGMENT INFORMATION

SGDL has been operating in one single operating and reportable segment which engaged in properties investment. Information reported to SGDL's chief operating decision maker, for the purpose of resources allocation and assessment performance is focused on the operating results of SGDL as a whole as SGDL's resources are integrated and no discrete financial information is available. Accordingly, no segment analysis is presented.

SGDL's operations are principally located in Hong Kong. Accordingly, no geographical segment information is presented.

7. LOSS FROM OPERATIONS

	Eight months ended 28 February		Year ended 30 June		
	2015	**2014**	**2014**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
		(Unaudited)			
Auditor's remuneration	–	–	6	6	6
Depreciation	–	–	–	1,657	2,210

8. FINANCE COSTS

	Eight months ended 28 February		Year ended 30 June		
	2015	**2014**	**2014**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest expenses arising on secured bank loans	1,316	1,882	2,944	2,144	2,090

9. DIRECTORS' REMUNERATION

(a) Directors' remuneration

The remuneration paid and payable of the directors of SGDL during the Relevant Periods are analysed as follows:

For the year ended 30 June 2012

	Fee	Salaries and other benefits	Retirement benefits scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Mak Law Mo	–	–	–	–
Ng Kam Tong	–	–	–	–
Tam Fung King	–	–	–	–
Wong Hok Sum	–	–	–	–

For the year ended 30 June 2013

	Fee	Salaries and other benefits	Retirement benefits scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Chi Keung *(Note a)*	–	–	–	–
Lee Kwok Yin Denthur *(Note b)*	–	–	–	–
Mak Law Mo *(Note c)*	–	–	–	–
Ng Kam Tong *(Note d)*	–	–	–	–
Tam Fung King *(Note e)*	–	–	–	–
Wong Hok Sum	–	–	–	–

For the year ended 30 June 2014

	Fee	Salaries and other benefits	Retirement benefits scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Chi Keung	–	–	–	–
Lee Kwok Yin Denthur	–	–	–	–
Wong Hok Sum	–	–	–	–

For the eight months ended 28 February 2015

	Fee	Salaries and other benefits	Retirement benefits scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Chi Keung	–	–	–	–
Lee Kwok Yin Denthur	–	–	–	–
Ng Kwok Wing Michael *(Note f)*	–	–	–	–
Wong Hok Sum	–	–	–	–

For the eight months ended 28 February 2014 (Unaudited)

	Fee	Salaries and other benefits	Retirement benefits scheme contribution	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Chan Chi Keung	–	–	–	–
Lee Kwok Yin Denthur	–	–	–	–
Wong Hok Sum	–	–	–	–

During the Relevant Periods, no remunerations of directors of SGDL has been paid which would have been classified as those fall within HK$Nil to HK$1,000,000.

During the Relevant Periods, no remunerations has been paid/payable by SGDL to the directors as an inducement to join SGDL, as compensation for loss of office or as commitment fees to existing directors for entering into new services contracts with SGDL.

There was no arrangement under which a director waived or agreed to waive any remuneration during the Relevant Periods.

Notes:

(a) Mr. Chan Chi Keung was appointed as a director of SGDL on 17 June 2013, and resign from position on 14 January 2015.

(b) Mr. Lee Kwok Yin Denthur was appointed as director of SGDL on 17 June 2013, and resign from position on 14 January 2015.

(c) Mr. Mak Law Mo was resign from position on 17 June 2013.

(d) Mr. Ng Kam Tong was resign from position on 17 June 2013.

(e) Mr. Tam Fung King was resign from position on 17 June 2013.

(f) Mr. Ng Kwok Wing Michael was appointed as a director of SGDL on 14 January 2015.

(b) Five highest paid employees

None of the five individuals, if any, with the highest salaries in SGDL for the years ended 30 June 2012, 30 June 2013, 30 June 2014 and the eight months ended 28 February 2015 were fall within HK$Nil to HK$1,000,000.

During the Relevant Periods, no remuneration has been paid by SGDL to any of the five highest paid employees as an inducement to join SGDL, as compensation for loss of office or as commitment fees to existing director for entering into new services contracts with SGDL.

10. INCOME TAX

No Hong Kong profits tax has been provided as no assessable profit arising in Hong Kong during the Relevant Periods.

A reconciliation of the tax expenses applicable to loss before tax for the perio/year to the tax expense at the effective tax rates was shown as follows:

	Eight months ended 28 February		Year ended 30 June		
	2015	**2014**	**2014**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Loss before tax	(1,502)	(1,935)	(3,139)	(4,708)	(5,047)
Tax at applicable tax rate of 16.5%	(248)	(319)	(518)	(777)	(833)
Tax effect of expenses not deductible for tax purpose	–	–	–	273	365
Tax effect of tax loss not recognised	248	319	518	504	468
	–	–	–	–	–

No provision for deferred tax liabilities has been made as SGDL had no material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Financial Information.

11. EARNING PER SHARE

No earning per share is presented as the calculation of the earning per share is not meaningful for the purpose of this report.

12. INVESTMENT PROPERTIES AND PROPERTY UNDER DEVELOPMENT

Investment properties	*HK$'000*
Cost	
At 1 July 2012	124,684
Transfer to property under development	(124,684)
At 30 June 2013	–
Accumulated depreciation	
At 1 July 2012	5,797
Charge for the year	1,657
Transfer to property under development	(7,454)
At 30 June 2013	–
Net carrying amount	
At 30 June 2013	–
At 30 June 2012	118,887

The investment properties were situated in Hong Kong and held under medium-term leases. On 28 February 2013, SGDL commence to redevelop the investment property and accordingly, the net carrying amount of the investment properties was transferred to property under development.

Property under development	*HK$'000*
Cost	
At 1 July 2012	–
Transfer from investment properties	124,684
Accumulated depreciation transferred from investment properties	(7,454)
Capitalised interests	6
Construction costs	2,886
At 30 June 2013 and 1 July 2013	120,122
Capitalised interests	114
Construction costs	9,077
At 30 June 2014 and 1 July 2014	129,313
Capitalised interests	271
Construction costs	7,008
At 28 February 2015	136,592

The property under development was situated in Hong Kong and held under medium-term leases.

13. AMOUNT DUE FROM A RELATED COMPANY

	As at 28 February	As at 30 June		
	2015	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Auto Renew Limited	–	–	15	13

The amount due from a related company is unsecured, interest free and have no fixed terms of repayment.

The maximum debt balance of the amount due from a related company as at 30 June 2012 and 2013 was approximately HK$13,000 and HK$15,000 respectively.

14. CASH AND CASH EQUIVALENTS

	As at 28 February		As at 30 June	
	2015	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash and cash equivalents	1	944	473	1,206

Cash and cash equivalents are stated at cost plus accrued interest, which approximates fair value. Cash and cash equivalents consists of bank balances, which are unrestricted as to withdrawal and use, and which have maturities of three months or less.

15. SHARE CAPITAL

	As at 28 February		As at 30 June	
	2015	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Authorised: *(note (i))* 10,000 ordinary shares of HK$1 each	–	–	10	10
Issued and fully paid: 10,000 ordinary shares *(note (ii))*	10	10	10	10

Note (i): Under the Hong Kong Companies Ordinance (Cap. 622), which commenced operation on 3 March 2014, the concept of authorised share capital no longer exists.

Note (ii): In accordance with section 135 of the Hong Kong Companies Ordinances (Cap. 622), the Company's shares no longer have a par or nominal value with effect from 3 March 2014. There is no impact on the number of shares in issue or the relative entitlement of any of the members as a result of this transition.

16. SHAREHOLDERS' LOAN

The shareholders' loan are unsecured, interest free and will not be settled within twelve months.

17. AMOUNT DUE TO A DIRECTOR

Amount due to a director is unsecured, interest free and has no fixed terms of repayment.

18. SECURED BANK LOANS

	As at 28 February		As at 30 June	
	2015	**2014**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Interest-bearing bank loan secured within one year	–	90,800	82,000	80,000

The bank loan was secured by legal charge over the investment property or property under development and personal guarantees executed by shareholders of SGDL with carrying value of HK$118,887,000, HK$120,122,000 and HK$129,313,000 respectively for the year ended 30 June 2012, 2013, 2014. The effective interest rate of the bank loan was 2% per annum and repayable within one year.

19. FINANCIAL INSTRUMENTS

The carrying amounts of SGDL's financial assets and liabilities by category of financial instruments included in the statement of financial position are as follows:

	As at 28 February		As at 30 June	
	2014	**2014**	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets by category				
– Other receivables	–	–	5	–
– Amount due from a related company	–	–	15	13
– Cash and bank balances	1	944	473	1,206
	1	944	493	1,219
Financial liabilities by category				
– Shareholder's loans	165,890	67,561	63,636	60,236
– Rental deposit received	–	–	–	36
– Accruals and other payable	193	115	59	206
– Amount due to a director	231	–	–	–
– Secured bank loans	–	90,800	82,000	80,000
	166,314	158,476	145,695	140,478

20. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

SGDL has no written risk management policies and guidelines. The directors of SGDL are responsible to analyse and formulate strategies to manage and monitor SGDL's exposure to variety of risks associated with financial instruments which arise from SGDL's operating activities. Generally, SGDL employs conservative strategies regarding its risk management to ensure appropriate measures are implemented on a timely and effective manner. The risks associated with these financial instruments and the policies on how to these risks are mitigated are described as follows:

Market risks:

(a) Interest rate risk

SGDL is exposed to fair value interest rate risk in relation to floating-rate pledged assets. SGDL is also exposed to cash flow interest rate risk in relation to variable-rate financial assets of bank balances and shareholders' loan. SGDL currently does not have interest rate hedging policy. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise. SGDL's cash flow interest rate risk is mainly concentrated on the fluctuation of Hong Kong Prime Rate arising from SGDL's shareholders' loans.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for secured bank loans mentioned above at the end of the reporting period. The analysis is prepared assuming the amounts of assets and liabilities recorded at the end of the reporting period were outstanding for the whole year. A 50 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates for the years ended 30 June 2012, 2013 and 2014 and the period ended 28 February 2015.

If interest rates had been 50 basis point higher/lower and all other variables were held constant, SGDL's loss for the years ended 30 June 2012, 2013 and 2014 and the period ended 28 February 2015 would increase/decrease by approximately HK$400,000, HK$410,000, HK$454,000 and Nil respectively. The effect on bank balances has not been taken into account in preparing the sensitivity analysis because the effect involved is not significant.

(b) Foreign exchange risk

The business transactions of SGDL conducted during the year were mainly denominated and settled in HKD which is SGDL's presentation currency. Therefore, SGDL has no exposure in exchange rate risks and therefore no sensitivity analysis has been disclosed. SGDL currently does not have any hedging policy in respect of identified foreign currency risk, if any.

(c) Credit risk

As at end of the Relevant Periods, SGDL's maximum exposure to credit risk which will cause a financial loss to SGDL due to failure to perform an obligation by the counterparties, is the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

Credit risk on cash and bank balances are mitigated as counterparties are banks or financial institutions with high credit rating. Credit risk on deposits and prepayments is minimal as SGDL performs ongoing credit evaluation on the financial condition of its debtors and tightly monitors the aging of the receivables balances, follow up action is taken in case of overdue balances. In addition, management reviews the recoverable amount of the receivables individually or collectively at each date of the reporting year to ensure that adequate impairment losses are made for irrecoverable amounts.

(d) Liquidity risk

SGDL monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets and projected cash flows from operations. SGDL has put the banking facilities in place for contingency purposes with amount to HK$80,000,000, HK$82,000,000, HK$90,800,000 for the year ended 30 June 2012, 2013, 2014 respectively, and Shareholder's Loan is amounted to approximately HK$60,236,000, HK$63,636,000, HK$67,561,000 and HK$165,890,000 for the year ended 30 June 2012, 2013 and 2014 and the period ended 28 February 2015. The maturity profile of SGDL's financial liabilities as at the end of the reporting period was based on the contracted undiscounted payment which is on demand or no fixed term of repayment.

21. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

SGDL's objectives when managing capital are:

- To safeguard SGDL's ability to continue as a going concern, so that it continues to provide returns for shareholder and benefits for other stakeholders;
- To support SGDL's stability and growth; and
- To provide capital for the purpose of strengthening SGDL's risk management capability.

SGDL actively and regularly reviews and manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, SGDL may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the Relevant Periods.

SGDL monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. SGDL's total capital comprises all components of equity and net debt includes shareholder's loan accruals and other payables, seured bank loans, amount due to a director, less cash and bank balances.

	As at 28 February	As at 30 June		
	2015	2014	2013	2012
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Shareholder's loan	165,890	67,561	63,636	60,236
Rental deposit received	–	–	–	36
Accruals and other payables	193	115	59	206
Amount due to director	231	–	–	–
Secured bank loans	–	90,800	82,000	30,000
Less: Cash and cash equivalents	(1)	(944)	(473)	(1,206)
Net debts	166,313	157,532	145,222	139,272
Total capital	10	10	10	10
Total capital and net debt	166,323	157,542	145,232	139,282
Gearing ratio	99%	99%	99%	99%

22. SUBSEQUENT EVENTS

No significant events took place subsequent to the Relevant Periods.

Your faithfully,
Elite Partners CPA Limited
Certified Public Accountants
Hong Kong
Yip Kai Yin
Practising Certificate Number: P05131

PART A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

Suites 2B-4A, 20th Floor,
Tower 5, China Hong Kong City,
33 Canton Road,
Tsim Sha Tsui,
Kowloon, Hong Kong

26 May 2015

The Board of Directors
Celebrate International Holdings Limited

Room 2609-10, 26/F.,
China Resources Building,
26 Harbour Road,
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information (the "**Unaudited Pro Forma Financial Information**") of Celebrate International Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only.

The Unaudited Pro Forma Financial Information consists of the unaudited pro forma consolidated statement of financial position as at 31 December 2014, the pro forma consolidated statement of profit or loss and other comprehensive income and the pro forma consolidated statement of cash flows for the year ended 30 June 2014, and related notes as set out on pages 107 to 130 of the circular of the Company dated 26 May 2015 (the "**Circular**"). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described on Appendix IV to the Circular.

The Unaudited Pro Forma Financial Information has been complied by the directors of the Company to illustrate the impact of the proposed acquisition of 51% equity interests in Goldee Holdings Limited on the Group's consolidated statement of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of cash flows for the year ended 30 June 2014.

Directors' responsibility for the Unaudited Pro Forma Financial Information.

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owned to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

The purpose of Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2014 or 1 July 2014 would have been as presented.

For the purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors of the Company in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– the related pro forma adjustments give appropriate effect to those criteria; and

– the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgement, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information on the Enlarged Group has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the pro forma adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information on the Enlarged Group as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,
Elite Partners CPA Limited
Certified Public Accountants
Hong Kong
Yip Kai Yin
Practising Certificate Number: P05131

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. Unaudited pro forma consolidated statement of financial position of the Enlarged Group as at 31 December 2014

	Unaudited consolidated statement of financial position of the Group as at 31 December 2014	Audited consolidated statement of financial position of the Target Group as at 28 February 2015	Sub-total	Pro forma adjustments	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*				
Non-current assets						
Property, plant and equipment	14,056	–	14,056			14,056
Investment in an associate	37,386	–	37,386			37,386
Investment properties	–	–	–	298,424	3	325,000
				26,576	4	
Loan receivables	457	–	457			457
Property under development	–	298,424	298,424	(298,424)	3	–
	51,899	298,424	350,323			376,899
Current assets						
Trade and other receivables and prepayments	18,663	–	18,663	(10,000)	5(a)	8,663
Loan receivables	11,899	–	11,899			11,899
Financial assets at fair value through profit or loss	17,339	–	17,339			17,339
Cash and cash equivalents	10,189	1	10,190	(150,650)	5(a)	75,140
				215,600	5(a), 6(b)	
	58,090	1	58,091			113,041
Total assets	109,989	298,425	408,414			489,940
Current liabilities						
Trade and other payables and accrued liabilities	9,343	193	9,536			9,536
Obligations under finance lease	181	–	181			181
Amount due to a director	–	256	256			256
	9,524	449	9,973			9,973
Net current assets/(liabilities)	48,566	(448)	48,118			103,068

	Unaudited consolidated statement of financial position of the Group as at 31 December 2014	Audited consolidated statement of financial position of the Target Group as at 28 February 2015	Sub-total	Pro forma adjustment	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*				
Total assets less current liabilities	100,465	297,976	398,441			479,967
Non-current liabilities						
Obligations under finance leases	491	–	491			491
Shareholders' loan	–	298,000	298,000	(298,000)	4	–
	491	298,000	298,491			491
Net assets/(liabilities)	99,974	(24)	99,950			479,476
Capital and reserves Attributable to the Owners of the Company						
Share capital	1,193	1	1,194	(1)	6(a)	44,140
				42,947	6(b)	
Reserves	98,781	(25)	98,756	25	6(a)	276,305
				4,871	6(b)	
				172,653	6(b)	
	99,974	(24)	99,950			320,445
Non-controlling interest	–	–	–	159,031	5	159,031
Total equity	99,974	(24)	99,950			479,476

2. Unaudited pro forma consolidated statement of profit or loss and other comprehensive income of the Enlarged Group for the year ended 30 June 2014

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2014	Audited consolidated statement of profit or loss and other comprehensive income of the Target Group for the period ended 28 February 2015	Sub-total	Pro forma adjustment	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*				
Turnover	6,734	–	6,734			6,734
Cost of sales	(6,514)	–	(6,514)			(6,514)
Gross profit	220	–	220			220
Other income	928	–	928	4,871	4	5,799
Administrative and Operating expenses	(20,897)	(25)	(20,922)			(20,922)
Other operating expenses	(11,844)	–	(11,844)			(11,844)
Loss from operation	(31,593)	(25)	(31,618)			(26,747)
Finance costs	(18,899)	–	(18,899)			(18,899)
Share of profit from an associate	174	–	174			174
Loss before tax	(50,318)	(25)	(50,343)			(45,472)
Income tax	–	–	–			–
Loss for the year/period	(50,318)	(25)	(50,343)			(45,472)
Loss for the year/period attributable to:						
Owners of the Company	(50,318)	(25)	(50,343)			(45,472)
Non-controlling interest	–	–	–	12	7	12
Loss for the year/period	(50,318)	(25)	(50,343)			(45,460)

	Audited consolidated statement of profit or loss and other comprehensive income of the Group for the year ended 30 June 2014	Audited consolidated statement of profit or loss and other comprehensive income of the Target Group for the period ended 28 February 2015	Sub-total	Pro forma adjustment		The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*				
Total comprehensive expenses for the year	(50,318)	(25)	(50,343)			(45,460)
Total comprehensive loss attributable to:						
Owners of the Company	(50,318)	(25)	(50,343)			(45,472)
Non-controlling interest	–	–	–			12
	(50,318)	(25)	(50,343)			(46,460)

3. Unaudited pro forma consolidated statement of cash flows of the Enlarged Group for the year ended 30 June 2014

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2014	Audited consolidated statement of cash flows of the Target Group for the period ended 28 February 2015	Sub-total	Pro forma adjustment	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*				
Operating activities						
Loss before taxation	(50,318)	(25)	(50,343)	4,871	5	(45,472)
Adjustments for:						
Interest expenses	18,899	–	18,899			18,899
Interest income	(3)	–	(3)			(3)
Depreciation	1,826	–	1,826			1,826
Provision for bad and doubtful debt	544	–	544			544
Impairment loss on interest in an associate	9,613	–	9,613			9,613
Share of profit from an associate	(174)	–	(174)			(174)
(Gain)/Loss on disposal of financial assets at fair value through profit or loss	(529)	–	(529)			(529)
Loss on fair value change in financial assets at fair value through profit or loss	211	–	211			211
Write-off of financial assets at fair value through profit or loss	1,476	–	1,476			1,476
Bargaining purchase arising from the acquisition	–	–	–	(4,871)	5	(4,871)
Operating loss before working capital changes	(18,455)	(25)	(18,480)			(18,480)
Decrease in trade and other receivables and prepayments	134	–	134			134
Increase in loan receivable	(2,000)	–	(2,000)			(2,000)
Increase in trade and other payables and accrued liabilities	2,137	449	2,586			2,586
Cash (used in)/generated from operating activities	(18,184)	424	(17,760)			(17,760)
Interest paid	(1,415)	–	(1,415)			(1,415)
Net cash (used in)/generated from Operating activities	(19,599)	424	(19,175)			(19,175)

	Audited consolidated statement of cash flows of the Group for the year ended 30 June 2014	Audited consolidated statement of cash flows of the Target Group for the period ended 28 February 2015	Sub-total	Pro forma adjustment	Notes	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*Notes*	*HK$'000*
	(Note 1)	*(Note 2)*				
Investment activities						
Interest received	3	–	3			3
Purchases of property, plant and equipment	(1,205)	(298,424)	(299,629)			(299,629)
Purchase of financial assets at fair value through profit or loss	(19,324)	–	(19,324)			(19,324)
Proceeds from disposal of financial assets at fair value through profit or loss	12,857	–	12,857			12,857
Net cash effect on acquisition of subsidiary	–	–	–	(160,650)	5(a)	(160,650)
Net cash used in investment activities	(7,669)	(298,424)	(306,093)			(466,743)
Financing activities						
Placing of shares	50,203	1	50,204			50,204
Proceeds form Open Offer	–	–	–	215,600	6(b)	215,600
Proceeds from obligation under finance lease	970	–	970			970
Settlement of obligation under finance lease	(209)	–	(209)			(209)
Increase in shareholders' loan	–	298,000	298,000			298,000
Net cash generated from financing activities	50,964	298,001	348,965			564,565
Net increase/(decrease) in cash and cash equivalents	23,696	1	23,697			78,647
Cash and cash equivalents at the beginning of the year	908	–	908			908
Cash and cash equivalents at the end of the year	24,604	1	24,605			79,555

Notes to Unaudited Pro Forma Financial Information of the Enlarged Group

1. The amounts are extracted from (i) the unaudited consolidated statement of financial position of the Group as at 31 December 2014 as set out in the Company's published interim report for the six months ended 31 December 2014; and (ii) the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 30 June 2014 as set out in the Company's published annual report for the year ended 30 June 2014.

2. The audited consolidated statement of financial position of the Target Group as at 28 February 2015, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Target Group for the period ended 28 February 2015 are extracted from the Accountants' Report on the Target Group as set out in Appendix III to this circular.

3. The adjustment represents the reclassification from "property under development" to "investment properties" upon the completion of the Acquisition.

   The Land Property was classified as "Property Under Development" in the audited consolidated statement of financial position of the Target Group as the Land Property was under a reconstruction commenced in 2013 which intends to gain rental yields upon reconstruction completed.

   In the opinion of the Directors, the Company will hold the Land Property for capital appreciation upon the completion of the Acquisition, accordingly, the Land Property will be classified as "Investment Properties" in accordance with HKAS 40 "Investment Properties" issued by the HKICPA.

4. The adjustment represents the fair value change for the investment properties recognised in accordance with HKFRS 3 (Revised) "Business Combination" ("**HKFRS 3**") issued by the HKICPA. Upon completion of the Acquisition, the identifiable assets and liabilities of the Target Group will be accounted for at their fair values under the equity method in accordance with HKFRS 3 issued by HKICPA.

For the purposed of the Unaudited Pro Forma Financial Information and for illustrative purpose only, the Directors have carried out an assessment of the fair values of identifiable assets and liabilities of the Target Group in accordance with the requirements of HKFRS 3. In the opinion of the Directors, the fair value of identifiable assets and liabilities of the Target Group were summarised as follow:

	Carrying amount	**Fair value adjustment**	**Fair value**
	HK$'000	*HK$'000*	*HK$'000*
Investment properties	298,424	26,576	325,000
Cash and cash equivalents	1	–	1
Accruals and other payables	(193)	–	(193)
Amount due to a director	(256)	–	(256)
Shareholders' loan	(298,000)	–	(298,000)
Net identifiable (liabilities)/assets	(24)	26,576	26,552

The Directors have determined the fair values of the identifiable assets and liabilities of the Target Group as at 31 December 2014, in particular, the investment properties held by the Target Group, with reference to the valuation report prepared by an independent valuer, Roma Appraisals Limited ("**Roma**"). The valuation was carried out on a fair value basis in accordance with Hong Kong Valuation Standards ("**HKVS**") issued by the Hong Kong Valuation Standards Committee. Fair value is defined as the "price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The fair value of the investment properties was approximately HK$325,000,000 as set out in the Valuation Report in Appendix V to this Circular.

5. The adjustment reflects the business combination of the Target Group as summarised below:

	HK$'000
Cash consideration: *(Note a)*	
– Initial deposits	10,000
– Second deposits	10,000
– Final payment	140,650
	160,650
Less: Fair value of net identifiable assets *(Note 4)*	(26,552)
Sales loan *(Note b)*	(298,000)
Non-controlling interest *(Note c)*	159,031
Bargaining purchase arising from the Acquisition	(4,871)

Notes:

(a) Total cash consideration for the Acquisition was HK$160,650,000, of which an initial deposit of HK$10,000,000 has been paid on 11 December 2014 (included in the unaudited consolidated statement of financial position of the Group as at 31 December 2014), second deposits of HK$10,000,000 has been paid on 30 January 2015 and the final payment of HK$140,650,000 shall be satisfied by either:

– The estimated net proceeds of HK$215,600,000 will be received from the Open Offer as set out in Appendix II of the Circular. The estimated net proceeds from the Open Offer is based on 2,147,358,360 Offer Shares to be issued at the Subscription Price of HK$0.105 per Offer Share on basis of thirty Offer Shares for every one Consolidated Share held on last trading date, and after deducting estimated related expenses of approximately HK$9,873,000; or

– Issuance of the Promissory Note with principal value equivalent to or any deficit after deducting the cash payment made with interest of 6% per annum and maturity at the second anniversary of the date of issue.

(b) Pursuant to the Acquisition Agreement, the Company will acquire the Sale Loan, which represents the aggregate amount owing by the Target Company to the Vendor at the Completion Date. The amount of the Sale Loan as at the date of the Acquisition Agreement was approximately HK$298,000,000.

(c) Non-controlling interests represent 49% of net identifiable assets and liabilities of the Target Group upon completion of the Acquisition, being 49% of fair value of identificable assets and liabilities of the Target Group of approximately HK$26,552 and excluding shareholders' loan of approximately HK$298,000,000.

6. (a) The adjustment represents the elimination of the share capital and the pre-acquisition reserves of the Target Group upon completion of the Acquisition.

(b) The adjustment represents the effect of Open Offer as detailed in Appendix II of the Circular.

The estimated net proceed to be received from the Open Offer is approximately HK$215,600,000 are based on the 2,147,358,360 Offer shares at the subscription price of HK$0.105 per Offer Share on basis of thirty Offer Shares for every on Consolidated Share held on last trading date, and after deducting estimated related expenses, including among other, legal and professional fees, which directly attributable to the Open Offer, of approximately HK$9,873,000.

The issuance of Offer Shares pursuant to the Open Offer will result in (i) increase in share capital of the Company of approximately HK$42,947,000, which are based on the 2,147,358,360 Offer shares at HK$0.02 each Offer Share; and (ii) increase in share premium accounts of the Company of approximately HK$172,653,000, which are based on 2,147,358,360 Offer shares at HK$0.085 each Offer Share and directly expenses of Open Offer of approximately HK$9,873,000.

7. The adjustment represents 49% of the results shared by the non-controlling interests of the Target Group. Being the 49% of the results of the Target Group from the period ended 28 February 2015 of approximately HK$25,000.

8. Apart from the above, no other adjustments have been made to reflected any trading result or other transactions of the Group and the Target Group entered into subsequent to 31 December 2014. Unless otherwise stated, the adjustments above were not expected to have a continuing effect on the Enlarged Group.

The following is the text of a letter and a valuation certificate, prepared for the purpose of incorporation in this Circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuation of the Land Property.

ROMA

Unit 3806, 38/F, China Resources Building,
26 Harbour Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
http://www.romagroup.com

26 May 2015

Celebrate International Holdings Limited
Room 2609-10, 26/F.,
China Resources Building,
26 Harbour Road,
Wan Chai, Hong Kong

Dear Sir/Madam,

Re: Nos. 8 and 10 Lomond Road, Kowloon, Hong Kong

In accordance with your instructions for us to value the property intended to be acquired by Celebrate International Holdings Limited (the "Company"), its subsidiaries and/or associate companies (hereinafter together referred to as the "Group") located in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 March 2015 (the "Date of Valuation") for the purpose of incorporation in the circular of the Company dated 26 May 2015.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Market value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

2. VALUATION METHODOLOGY

We have adopted direct comparison approach and valued the property by reference to sales evidence as available on the market and on the basis that vacant possession of the property for development would be immediately available upon completion of a sale.

3. TITLE INVESTIGATION

We have carried out land searches at the Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us. We do not accept a liability for any interpretation which we have placed on such information which is more properly the sphere of your legal advisers.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the market in its existing state without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of such property.

In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of property, particulars of occupation, site and floor areas, ages of buildings and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATION

We have inspected the exterior of the property. We have not carried out investigations on site to determine the suitability of the ground conditions and services etc. for future redevelopment. Our valuation is prepared on the assumption that these aspects are satisfactory and that no extraordinary expenses or delays will be incurred during the construction period. We have not been able to carry out detailed site measurements to verify the correctness of the site area of the property and we have assumed that the site area shown on the documents handed to us is correct.

We have not carried out on-site measurement to verify the site and floor areas of the property under consideration but we have assumed that the site and floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate are based on information contained in the documents provided to us by the Group and are therefore approximations.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

In valuing the property, we have complied with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors and Chapter 8 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong Dollars ("HK$").

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited
Dr. Alan W K Lee
BCom(Property) MFin PhD(BA)
MHKIS RPS(GP) AAPI CPV CPV(Business)
Associate Director

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 11 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

VALUATION CERTIFICATE

Property intended to be acquired by the Group for Investment Purpose in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 March 2015
Nos. 8 and 10 Lomond Road, Kowloon, Hong Kong Sub-Section 1 and the Remaining Portion of Section C of Kowloon Inland Lot No. 4164	The property comprises a rectangular site with a total registered site area of approximately 9,115.5 sq.ft. (or about 846.85 sq.m.). Kowloon Inland Lot No.4164 held under a Government Lease for a term of 75 years commencing on 16 June 1937, renewable for a further term of 75 years.	The property is a vacant site and there is no construction work. As advised by the Group, there is no concrete plan for further development of the property in this stage.	HK$325,000,000

Notes:

1. The registered owner of the property is Super Group Development Limited ("SGDL").

2. Last transactions of the property are as follows:–

Premises	Consideration	Date of Instrument
G/F. & 1/3 of the Garage at the North Side, No.8 Lomond Road	HK$7,100,000 (1/4 Shares) HK$7,100,000 (1/4 Shares) HK$14,200,000 (2/4 Shares)	27 June 2011 22 July 2011 21 October 2011
1/F. & 1/3 of the Garage at the North Side, No.8 Lomond Road	HK$22,500,000	23 August 2010
2/F. & 1/3 of the Garage at the North Side, No.8 Lomond Road	HK$25,500,000	23 August 2010
No.10 Lomond Road	HK$34,000,000	21 April 1997

3. According to the set of building plan of reference No.2/4163/53 approved by the Building Authority on 8 May 1953 (the "Approved Building Plan"), two semi-detached 3-storey residential buildings planned on the subject site. These buildings are proposed to be connected to each other by two common staircases and have one residential unit on each floor. One garage structure, apparently for parking of three motor vehicles, is planned at the rear portion of each lot of the subject site.

   According to the measurement of the Approved Building Plan, the total proposed saleable area of the property (exclusive of roof and garage) is 1,012.6 sq.m. or thereabouts.

4. The property lies within an area zoned "Residential (Group B)" under Ma Tau Kok Outline Zoning Plan No.S/K10/20 dated 14 November 2008.

5. The property is situated in Kowloon City District. Developments in the vicinity comprise a mixture of medium to high-rise commercial/residential composite buildings, medium-rise industrial buildings and aged tenements blocks. The pedestrian flow in the surrounding area is moderate. Public transportation facilities such as franchised buses, public light buses and taxis are conveniently available along Prince Edward Road West.

   The MTR (Ma Tau Wai) Station, planned to be completed in about 2019, will be situated at about 10 minutes' walking distance from the property.

6. According to All Class Private Index of Private Domestic issued by Rating and Valuation Department, we suggested that the residential market is going upward steadily in 2014. The most updated indices as at the Latest Practicable Date are shown as follows:–

Feb 2014	Mar 2014	Apr 2014	May 2014	Jun 2014	Jul 2014	Aug 2014
244.3	243.7	245.0	247.4	250.3	256.4	261.2
Sep 2014	Oct 2014	Nov 2014	*Dec 2014	*Jan 2015	*Feb 2015	
266.3	270.5	274.1	278.2	284.5	291.1	

* Provisional figures (Remark: December 2014, January 2015 and February 2015 are provisional figures as the Rating Department releases the current 3 months of provisional figures.)

7. Our inspection was performed by Dr. Alan W K Lee in March 2015.

1. RESPONSIBILITY STATEMENT

This Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Circular misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately upon completion of the Share Consolidation and the Open Offer are as follows:

Authorised:		*HK$*
1,000,000,000,000	Shares of HK$0.001 each	1,000,000,000
Issued and fully paid or credited as fully paid:		*HK$*
1,431,572,240	Shares of HK$0.001 each	1,431,572.24

Immediately following the Share Consolidation becoming effective and completion of the Open Offer (assuming no further issue of new Shares/Consolidated Shares or repurchase of Shares/Consolidated Shares from the Latest Practicable Date to completion of the Open Offer) will be as follows:

Authorised:		*HK$*
50,000,000,000	Consolidated Shares of HK$0.02 each	1,000,000,000
Issued and fully paid or credited as fully paid:		*HK$*
71,578,612	Consolidated Shares of HK$0.02 each in issue as at the effective date of the Share Consolidation	1,431,572.24
2,147,358,360	Offer Shares to be issued	42,947,167.20
2,218,936,972	Total	44,378,739.44

All of the Offer Shares to be allotted, issued and fully paid will rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and capital, and with all the Consolidated Shares in issue as at the date of allotment and issue of the Offer Shares. The Offer Shares to be issued will be listed on the Stock Exchange.

No part of the share capital or any equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Consolidated Shares or Offer Shares or any equity or debt securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no other derivatives, outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, no share or loan capital of the Company or any member of the Group had been put under option or agreed conditionally or unconditionally to be put under option and no warrant or conversion right affecting the Shares had been issued or granted or agreed conditionally, or unconditionally to be issued or granted, except for the Offer Shares.

3. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within 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 which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

The above information has been disclosed on an Enlarged Group's basis.

4. INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, no person had interests or short positions in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, 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 the Company or had any options in respect of such capital.

The above information has been disclosed on an Enlarged Group's basis.

5. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into any service contracts with the Group or any member of the Enlarged Group, save for those expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

As at the Latest Practicable Date, as far as the Directors are aware of, none of the Directors or the management shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. OTHER INTERESTS OF THE DIRECTORS

As at the Latest Practicable Date:

(a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 30 June 2014 (being the date to which the latest published audited consolidated accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group; and

(b) none of the Directors was materially interested in any contract or arrangement entered into by any member of the Enlarged Group which is subsisting as at the date of this Circular and is significant in relation to the business of the Enlarged Group.

8. MATERIAL CONTRACTS

The following contracts (being contracts not entered into in the ordinary course of business of the Group) have been entered into by the members of the Enlarged Group after the date of two years immediately preceding the date of this Circular, and up to the Latest Practicable Date, and are or may be material:

(a) MOU, the Sale and Purchase Agreement, the Supplemental Sale and Purchase Agreement, the Second Supplemental Sale and Purchase Agreement and the Third Supplemental Sale and Purchase Agreement;

(b) the Underwriting Agreement and the Supplemental Underwriting Agreement;

(c) the placing agreement entered into between the Company and HEC Securities Limited (as placing agent) on 23 December 2014 in relation to the placing of the 238,580,000 new shares of the Company at a placing price of HK$0.065 per each placing share on a best effort basis;

(d) the placing agreement entered into between the Company and China Rise Securities Asset Management Company Limited (as placing agent) on 3 October 2014 in relation to the conditional placing of the 198,830,000 new shares of the Company at a placing price of HK$0.132 per each placing share to not less than six placees on a best effort basis;

(e) the underwriting agreement dated 30 June 2014 entered into between the Company and China Rise Securities Asset Management Company Limited, as the Underwriter, in relation to the underwriting arrangement in respect of the proposed issue of eight (8) offer shares for every one (1) share in issue and held on the record date;

(f) the placing agreement entered into between the Company and the Underwriter dated 3 June 2014 in relation to the placing of a maximum of 184,104,000 new Shares at the placing price of HK$0.076 per placing share;

(g) the deed of amendment entered into between the Company and the holders of the outstanding convertible bonds dated 16 January 2014 in relation to the amendments of certain terms and conditions of the Outstanding Convertible Bonds;

(h) the placing agreement entered into between the Company and Enerchine Securities Limited dated 15 January 2014 in relation to the placing of a maximum of 153,420,120 new Shares at the placing price of HK$0.25 per placing share;

(i) the memorandum of understanding dated 17 December 2013 entered into between Colour Cosmo Holdings Limited, a wholly-owned subsidiary of the Company, and certain vendors in relation to the possible acquisition of the entire issued share capital in a company incorporated in the British Virgin Islands; and

(j) the sale and purchase agreement dated 7 October 2013 entered into among Colour Cosmo Holdings Limited, a wholly-owned subsidiary of the Company, Lucky Praise Limited and Mr. Wang Min in relation to the acquisition of the entire issued share capital of Lakezone Limited at the consideration of HK$500 million, which was subsequently terminated on 5 December 2013.

9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinions and advices, which are contained in this Circular:

Name	**Qualification**
Pan Asia Corporate Finance Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
Elite Partners CPA Limited	Certified Public Accountants

Roma Appraisals Limited	Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 11 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

Each of the Independent Financial Adviser, Elite Partners CPA Limited and Roma Appraisals Limited has given and not withdrawn their written consents to the issue of this Circular with the inclusion of its letters, references to its name and/or its advice in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts:

(a) was not interested, either directly or indirectly, in any assets which have been acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group since 30 June 2014, being the date to which the latest published audited consolidated accounts of the Group were made up; and

(b) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

10. MATERIAL ADVERSE CHANGE

Save and except for the decrease in the Group's revenue for the six months ended 31 December 2014 as compared to the six months ended 31 December 2013 due to the reasons as stated in the sub-section headed "Financial and trading prospects of the Enlarged Group" in Appendix I to this Circular, the Directors are not aware of any material adverse change in the financial position or trading position of the Group since 30 June 2014, being the date to which the latest published audited consolidated accounts of the Group were made up.

11. LITIGATION

On 29 November 2013, Yu Man International Food Limited (the "**Plaintiff**"), a wholly-owned subsidiary of the Company, through its solicitors, served a writ of summons on Ma's Japanese Food Limited (the "**Defendant**"), and claiming for, among other things, the sum of HK$5,133,467.19 (the "**Outstanding Sum**"), plus interest and cost, being the balance of the price of goods due and owed by the Defendant to the Plaintiff for the period from February 2013 to June 2013. The Defendant had subsequently paid a total sum of HK$2,300,000 to the Plaintiff in partial settlement of the claim. On 9 February 2015, the High Court of the Court of First Instance of Hong Kong has granted judgment against the Defendant in favor of the Plaintiff for the sum of HK$2,833,467.19 together with interest thereon at the rate of 8% per annum from 3 April 2014 to 9 February 2015 and thereafter at judgment rate until payment and fixed costs of HK$11,045.00.

The aforesaid litigation has no material impact on the Group's operation and financial position.

Save as disclosed above, as at the Latest Practicable Date, the Enlarged Group was not involved in any litigation, arbitration or claim of material importance which is known to the Directors to be pending or threatened against any member of the Enlarged Group.

12. MISCELLANEOUS

(a) The registered office and principal place of business of the Company is located at Room 2609-10, 26/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

(b) The secretary of the Company is Mr. Ng Chi Ho, Dennis, who is a chartered accountant of The Chartered Accountants Australia and New Zealand as well as a fellow member of The Hong Kong Institute of Certified Public Accountants.

(c) The share registrar and transfer office of the Company is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(d) The English text of this Circular and the accompanying forms of proxy shall prevail over their respective Chinese texts in the case of inconsistency.

13. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE OPEN OFFER

Registered office	Cricket Square Hutchins Drive, P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principal place of business in Hong Kong	Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong
Authorised representatives	Ms. Leung Wai Kuen, Cerene Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong Mr. Ng Chi Ho, Dennis Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong

Company secretary	Mr. Ng Chi Ho, Dennis Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong
Compliance officer	Mr. Leung Wai Tung Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong
Legal adviser as to Hong Kong Law	Shum & Co. Solicitors Suites 2801-2803 China United Centre No. 28 Marble Road North Point Hong Kong
Financial adviser	Freeman Corporate Finance Limited Room 2301 23/F., China United Centre 28 Marble Road North Point Hong Kong
Auditors and reporting accountants	Elite Partners CPA Limited Suites 2B-4A 20th Floor Tower 5, China Hong Kong City 33 Canton Road Tsim Sha Tsui Kowloon, Hong Kong
Independent Financial Adviser	Pan Asia Corporate Finance Limited Unit 1504, 15/F The Center, 99 Queen's Road Central, Hong Kong
Underwriter	Freeman Securities Limited Room 1601 16/F., China United Centre 28 Marble Road North Point Hong Kong

Principal share registrar and transfer office in the Cayman Islands	Condan Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands
Branch share registrar and transfer office in Hong Kong	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong
Principal banker	Bank of Communications Co., Ltd. Room 2201, 22/F. City Landmark 1 68 Chung On Street Tsuen Wan Hong Kong

14. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission (based on the scenario that 2,147,358,360 Underwritten Shares are underwritten by the Underwriter), printing, registration, translation, legal and accountancy charges are estimated to be approximately HK$9.9 million, which are payable by the Company.

15. PARTICULARS OF DIRECTORS

(a) Names and addresses of Directors

Name	Address
Executive Directors	
Ms. Leung Wai Kuen, Cerene	Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong
Mr. Leung Wai Tung	Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong
Independent non-executive Directors	
Ms. Chan Wan Yee	Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong

Mr. Hau Chi Kit	Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong
Mr. Sit Bun	Room 2609-10, 26/F. China Resources Building 26 Harbour Road Wanchai, Hong Kong

(b) Profiles of Directors

Executive Directors

Ms. Leung Wai Kuen, Cerene

Ms. Leung Wai Kuen, Cerene, aged 46, was appointed as the executive Director on 18 April 2011. She is also the director of various subsidiaries of the Group. Ms. Leung holds a Bachelor's degree in Business Administration in San Francisco State University, the USA. She has over 10 years' experience in finance and accounting, including auditing, budgeting, cost control and formulating policies and strategies over the financial operations and management for various companies.

Mr. Leung Wai Tung

Mr. Leung Wai Tung, aged 25, holds a Bachelor of Arts degree in international business management from the Oxford Brookes University. Mr. Leung is currently an executive director of a subsidiary of the Company, which is engaged in the lending business. Prior to joining the Group, Mr. Leung gained valuable experience in loan administration and wealth management from prestigious international financial institutions. Mr. Leung Wai Tung is the compliance officer of the Company.

Independent non-executive Directors

Ms. Chan Wan Yee

Ms. Chan Wan Yee, aged 29, was appointed as the independent non-executive Director on 31 December 2011. She holds a Bachelor degree in Business Administration (Accounting and Finance) with honours from the University of Hong Kong. She is a Certified Public Accountant of the Hong Kong Institute of Certified Public Accountants and gained valuable experience from an international audit firm.

Mr. Hau Chi Kit

Mr. Hau Chi Kit, aged 43, graduated from University of Oregon, the United States of America, with a bachelor of science in economics in 1994, passed the Common Professional Examination at the College of Law, Guildford, the United Kingdom, in 1999 and obtained a Postgraduate Certificate in Laws from The University of Hong Kong in 2000. During the period from 2002 to 2008, Mr. Hau practiced as a barrister-at-law in Hong Kong. From 2008 to 2014 Mr. Hau was a solicitor in private practice. Prior to becoming a barrister, Mr. Hau worked at the Securities and Futures Commission. Currently, Mr. Hau is a solicitor not in private practice. Mr. Hau has been appointed as the independent non-executive director of China Zenith Chemical Group Limited (a company listed on the Main Board of the Stock Exchange, stock code: 362) and eForce Holdings Limited (a company listed on the Main Board of the Stock Exchange, stock code: 943) on 18 December 2013 and 7 March 2014 respectively.

Mr. Sit Bun

Mr. Sit Bun, aged 75, was appointed as the independent non-executive Director on 18 April 2011. He is the chairman of Chinacomm International Limited in Hong Kong. He was one of the pioneers in introducing the wireless paging technology into the PRC. He also assisted in modernising the IDD call services from Guangdong Province, the PRC to Hong Kong and Macau. He has over 25 years' experience in telecommunications. He was a member of the Eighth, Ninth and Tenth Chinese People's Political Consultative Conference in Beijing.

(c) Profile of senior management staff of the Company

Mr. Ng Chi Ho, Dennis

Mr. Ng Chi Ho, Dennis, aged 56, joined the Group as the Chief Financial Officer in December 2011 and was appointed as the company secretary of the Company in July 2014. He holds a Bachelor of Commerce degree from the University of New South Wales, Australia and is a chartered accountant of The Chartered Accountants Australia and New Zealand as well as a fellow member of The Hong Kong Institute of Certified Public Accountants. He was the company secretary of Powerleader Science & Technology Group Limited, a company whose shares are listed on GEM from July 2007 to April 2010 and the company secretary of Tech Pro Technology Development Limited, a company whose shares are listed on the Main Board of the Stock Exchange from December 2009 to July 2013. He is also currently an independent non-executive director of Media Asia Group Holdings Limited and Creative Energy Solutions Holdings Limited, whose shares are all listed on GEM.

The Company's audit committee consists of the following members, namely, Ms. Chan Wan Yee (Chairman), Mr. Hau Chi Kit and Mr. Sit Bun. They are all independent non-executive Directors. For their profiles, please refers to the "Profiles of Directors".

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday) at the principal place of business of the Company in Hong Kong at Room 2609-10, 26/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on any weekday other than public holidays, up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the annual reports of the Company for the two financial years ended 30 June 2013 and 2014;

(c) the interim report of the Company for the six months ended 31 December 2014;

(d) the written consents referred to in the sub-section headed "Experts and consents" in this Appendix to this Circular;

(e) the unaudited proforma financial information of the Group as set out in Appendix II to this Circular;

(f) the accountants' reports of the Target Group as set out in Appendix III to this Circular;

(g) the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this Circular;

(h) the valuation report as set out in Appendix V to this Circular;

(i) the letter from the Board, the text of which is set out on pages 10 to 51 of this Circular;

(j) the letter from the Independent Board Committee;

(k) the letter from the Independent Financial Adviser;

(l) the material contracts disclosed in the sub-section headed "Material contracts" in this Appendix to this Circular;

(m) a copy of each of the circulars issued by the Company pursuant to the requirements set out in Chapter 19 and/or 20 of the GEM Listing Rules which has been issued since the date of the latest published audited consolidated accounts of the Group; and

(n) this Circular.

CELEBRATE INTERNATIONAL HOLDINGS LIMITED
譽滿國際（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8212)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting ("**EGM**") of the shareholders of Celebrate International Holdings Limited (the "**Company**") will be held at The Boardroom (Basement 2), The Wharney Guang Dong Hotel Hong Kong, 57-73 Lockhart Road, Wanchai, Hong Kong on Thursday, 11 June 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the conditional sale and purchase agreement dated 29 January 2015 and the three supplemental agreements dated 18 February 2015, 16 March 2015 and 4 May 2015 respectively (the "**Conditional Agreement for the Sale and Purchase**") (a copy of which having been produced at the Meeting and signed by the Chairman of the Meeting for the purpose of identification) entered into between Champion Prospect Limited as vendor (the "**Vendor**") and Colour Cosmo Holdings Limited, an indirect wholly-owned subsidiary of the Company, as purchaser (the "**Purchaser**"), in respect of the acquisition of the 51% of the issued share capital and shareholders' loan of Goldee Holdings Limited at the consideration of HK$160,650,000, to be satisfied by cash and/or the issue of promissory note and all the transactions contemplated under the Conditional Agreements for the Sale and Purchase (the "**Acquisition**"), be and are hereby approved, ratified and confirmed;

(b) the issue by the Company of a 2 years 6% promissory note (the "**Promissory Note**") in the principal amount of up to HK$140,652,000 to the Vendor in accordance with Conditional Agreements for the Sale and Purchase be and is hereby approved; and

(c) the directors of the Company (the "**Directors**") be and are hereby authorized to sign, execute, perfect and deliver all such documents and do all such deeds, acts, matters and things (including under the seal of the Company where applicable) as they may in their absolute discretion consider necessary or desirable for the purpose of or in connection with the implementation of the Conditional Agreements for the Sale and Purchase and all other documents in connection thereunder and all transactions and other matters contemplated thereunder or ancillary thereto, to waive compliance from and/or agree to any amendment or supplement to any of the provisions of the Conditional Agreements for the Sale and Purchase and all other documents in connection thereunder which in their opinion is necessary or desirable to effect or implement any other matters referred to in this resolution."

2. "**THAT** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below), with effect from the business day immediately following the day of passing of this resolution:

   (a) every twenty (20) issued and unissued Shares of par value of HK$0.001 each in the share capital of the Company be consolidated into one (1) share of par value of HK$0.02 each (each a "**Consolidated Share**"), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges as regards dividend, capital, redemption attendance at meetings, voting, etc. and be subject to the restrictions in respect of ordinary shares contained in the articles of association of the Company; and

   (b) the "**Director(s)**" be and are hereby authorised to do all such acts, deeds and things and to effect all necessary actions as they may consider necessary or desirable in order to effect, implement and complete any and all of the foregoing set out in this resolution."

3. "**THAT** conditional upon fulfillment or wavier (where applicable) of the conditions of the Underwriting Agreement (as defined below):

   (a) the allotment and issue of 2,147,358,360 Consolidated Shares in the share capital of the Company (the "**Offer Shares**") by way of open offer (the "**Open Offer**") at a subscription price of HK$0.105 per Offer Share to the qualifying holders of the Shares (the "**Qualifying Shareholders**") of the Company whose names appear on the register of members of the Company on 23 June 2015 (or such later date as the Company and the Underwriter may agree to be the record date for such Open Offer) (the "**Record Date**") other than those shareholders with addresses on the Record Date are outside Hong Kong whom the Directors, after making relevant enquiry, consider their exclusion from the Open Offer to be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place (the "**Non-Qualifying Shareholders**") as described in further details in the circular of the Company dated 26 May 2015 and on and subject to such terms and conditions as may be determined by the Directors and otherwise pursuant to and subject to the fulfillment of the conditions set out in the underwriting agreement dated 17 March 2015 (the "**Underwriting Agreement**") including a supplemental agreement dated 8 May 2015 relating thereto) (a copy of which has been produced to this meeting marked "A" and signed by the chairman of this meeting for the purpose of identification) and made between the Company and Freeman Securities Limited as underwriter (the "**Underwriter**"), and the transactions contemplated thereunder, be and are hereby approved;

(b) any one Director be and is hereby authorised to allot and issue the Offer Shares pursuant to or in connection with the Open Offer notwithstanding that (i) the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, the Directors may make such exclusions or other arrangements in relation to Non-Qualifying Shareholders as they deem necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong, and (ii) excess Offer Shares which would otherwise have been made available for application by the Qualifying Shareholders or the Non-Qualifying Shareholders (as the case may be) will be made available for subscription under forms of application for excess Offer Shares;

(c) the entering into of the Underwriting Agreement by the Company be and is hereby approved, confirmed and ratified and the performance of the transactions contemplated thereunder by the Company (including but not limited to the arrangements for taking up of the underwritten Offer Shares, if any, by the Underwriter) be and are hereby approved;

(d) the arrangements for application for Offer Shares by the Qualifying Shareholders in excess of their entitlements under the Open Offer be and are hereby approved, confirmed and ratified;

(e) any one Director be and is hereby authorised to sign and execute such documents and do all such acts and things incidental to the Open Offer or as he/she considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Open Offer, the Underwriting Agreement and the transactions contemplated thereunder or in this resolution."

4. "**THAT**

(a) Mr. Hau Chi Kit be re-elected as independent non-executive Director; and

(b) the board of Directors be authorized to fix the remuneration of Mr. Hau Chi Kit."

For and on behalf of the Board of
Celebrate International Holdings Limited
Ms. Leung Wai Kuen, Cerene
Executive Director

Hong Kong, 26 May 2015

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Room 2609-10, 26/F.
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

Notes:

1. Any shareholder entitled to attend and vote at the extraordinary general meeting shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf. A proxy need not to be a shareholder of the Company.

2. In order to be valid, a form of proxy together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the extraordinary general meeting (or any adjournment thereof).

3. Completion and delivery of a form of proxy shall not preclude a shareholder from attending and voting in person at the extraordinary general meeting and in such event, the instrument appoint a proxy shall be deemed to be revoked.

4. Where there are joint holders of any shares, any one of such joint holder may vote, either in person or by proxy in respect of such shares as if he/she was solely entitled hereto; but if more than one of such joint holders be present at the extraordinary general meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company.

5. A form of proxy for use at the extraordinary general meeting is attached herewith.

6. Any voting at the extraordinary general meeting shall be taken by poll.

7. The form of proxy shall be in writing under the hand of the appointer or his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

As at the date of this notice, the executive directors of the Company are Ms. Leung Wai Kuen, Cerene and Leung Wai Tung and the independent non-executive directors of the Company are Ms. Chan Wan Yee, Mr. Hau Chi Kit and Mr. Sit Bun.