
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Wealth Glory Holdings Limited, you should at once hand the Prospectus Documents (as defined herein) to the purchaser, the transferee or to the licensed securities dealer, registered institution in securities, the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, together with copies of the documents specified in the paragraph headed “Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the Securities and Futures Commission in Hong Kong take no responsibility as to the contents of any of these documents.

Dealing in the Shares (as defined herein) and the Offer Shares (as defined herein) may be settled through CCASS (as defined herein) and you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Offer Shares on the Stock Exchange (as defined herein) as well as compliance with the stock admission requirements of HKSCC (as defined herein), 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.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

OPEN OFFER ON THE BASIS OF ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE AT AN OFFER PRICE OF HK\$0.07 PER OFFER SHARE

Financial adviser to the Company



Underwriters of the Open Offer



KOALA Securities Limited



**智華證券有限公司
Supreme China Securities Limited**

Terms used in this cover page shall have the same meanings as defined in this Prospectus.

Latest Time for Acceptance is 4:00 p.m. on Thursday, 31 December 2015. The procedures for acceptance and payment for the Offer Shares are set out on pages 44 to 46 of this prospectus.

The Open Offer is conditional upon all conditions set out in the section headed “Conditions of the Open Offer” in this prospectus, in particular, the Underwriting Agreement having become unconditional and not having been terminated by the Underwriters pursuant to the terms thereof on or before the Latest Time for Termination (see the section headed “Termination of the Underwriting Agreement” herein). Accordingly, the Open Offer may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-entitlement basis commencing from Tuesday, 24 November 2015 and that dealings in Shares will continue to take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled. Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Open Offer is subject are fulfilled (which is expected to be 4:00 p.m. on Wednesday, 6 January 2016), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholders or other persons contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

16 December 2015

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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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

DEFINITIONS

In this prospectus, unless the context requires otherwise, the following expressions have the following meanings:

“Acquisition”	the acquisition of an aggregate of 51.0% of the equity interest shares of the Target Company as at the date of the Purchase Agreement pursuant to the announcement of the Company dated 23 June 2015
“acting in concert”	has the meaning as ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 9 November 2015 in relation to, among other things, the Open Offer
“Application Form(s)”	the application form(s) issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
“associate(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no.8 or above or black rainstorm signal is hoisted in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 20,000 Shares to 30,000 Shares
“Companies Ordinance”	the Companies Ordinance, Chapter 622 of the Laws of Hong Kong (as amended from time to time)
“Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong (as amended from time to time)

DEFINITIONS

“Company”	Wealth Glory Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Complying Applications”	valid applications under the Application Forms made in accordance with the terms of the Prospectus Documents together with cheques or cashier’s orders or other remittances for the full amount payable in respect of the Offer Shares being applied for under such Application Forms which are honoured on first or, at the discretion of the Underwriters, subsequent presentation
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“controlling Shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	9 November 2015, being the last day on which the Shares were traded on the Stock Exchange immediately preceding the publication of the Announcement
“Latest Lodging Date”	being 4:00 p.m. on Wednesday, 25 November 2015 or such other date and/or time as the Underwriters and the Company may agree as the latest time for lodging transfer of the existing Shares in order to qualify for the Open Offer

DEFINITIONS

“Latest Practicable Date”	14 December 2015, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 31 December 2015 or such other time and date as may be agreed between the Company and the Underwriters, being the latest time for application for, and payment for the Offer Shares as described in this Prospectus
“Latest Time for Termination”	4:00 p.m. on Wednesday, 6 January 2016, being the third Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Company and the Underwriters, being the latest time to terminate the Underwriting Agreement
“MD”	MD Inc. Limited, a company incorporated in Hong Kong with limited liability
“Non-Qualifying Shareholder(s)”	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)”	Share(s) to be issued and allotted under the Open Offer, being 1,369,572,000 Offer Shares to be offered to the Qualifying Shareholders pursuant to Open Offer on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date
“Open Offer”	the proposed issue of one (1) Offer Share for every two (2) existing Shares 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 Shareholders”	Shareholders with registered address (as shown on the register of members of the Company on the Record Date) which are outside Hong Kong

DEFINITIONS

“Possible CN Subscription”	has the meaning ascribed thereto in the paragraph headed “Reasons for the Open Offer and the use of proceeds” in this Prospectus
“PRC”	the People’s Republic of China
“Prospectus”	this prospectus of the Company in relation to, among other things, the Open Offer
“Prospectus Documents”	this Prospectus and the Application Form
“Prospectus Posting Date”	Wednesday, 16 December 2015 (or such later date as may be agreed between the Underwriters and the Company) for the despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus to the Non-Qualifying Shareholders (as the case may be)
“Purchase Agreement”	the conditional sale and purchase agreement dated 23 June 2015, as amended by supplemental agreement dated 30 November 2015, entered into among the Company and the relevant sellers in respect of the acquisition of an aggregate of 51.0% equity interest in the Target Company and the subscription of the convertible notes to be issued by the Target Company as disclosed in the announcement of the Company dated 23 June 2015
“Qualifying Shareholders”	Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 2 December 2015 or such other date as may be agreed between the Company and the Underwriters for determination of the entitlements under the Open Offer
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Union Registrars Limited of A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as modified and amended from time to time
“Share(s)”	ordinary share(s) currently having a par value of HK\$0.01 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 26 September 2010
“Share Options”	the options granted by the Company to subscribe for Shares pursuant to the Share Option Scheme
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the proposed issue price of HK\$0.07 per Offer Share at which the Offer Shares are proposed to be offered for subscription pursuant to the Open Offer
“substantial shareholder(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“taken up”	in relation to any Offer Shares, means those Offer Shares in respect of which Complying Applications have been received on or before the Latest Time for Acceptance and references to “ take up ” shall be construed accordingly
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs
“Target Company”	Perfect Worth Investment Limited, a company incorporated in the British Virgin Islands with limited liability and the subject of the Acquisition pursuant to the Purchase Agreement
“Underwriters”	collectively, Koala Securities Limited and Supreme China Securities Limited, each of them is a licensed corporation to carry on type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

DEFINITIONS

“Underwriting Agreement”	the underwriting agreement dated 9 November 2015, as amended by supplemental agreement dated 14 December 2015, entered into among the Company and the Underwriters in relation to the underwriting arrangement of the Open Offer
“Underwritten Shares”	all the Offer Shares (being not less than 1,369,572,000 Offer Shares (assuming all the outstanding Share Options and all the subscription rights attaching to the Warrants are not being exercised on or before the Latest Lodging Date) and not more than 1,603,106,000 Offer Shares (assuming all the outstanding Share Options and all the subscription rights attaching to the Warrants are being exercised on or before the Record Date)
“Untaken Shares”	those (if any) of the Underwritten Shares for which Complying applications have not been lodged for acceptance, or received, as the case may be, on or before the Latest Time for Acceptance
“Warrants”	130,000,000 unlisted warrants issued by the Company on 6 September 2013 conferring rights entitling the holder thereof to subscribe for a total of 130,000,000 Warrant Shares on the basis of an initial exercise price of HK\$0.24 per Warrant Share (subject to adjustment)
“Warrant Share(s)”	Shares to be issued upon the exercise of the subscription rights attaching to the Warrants
“%”	per cent.

Note: Certain amounts and percentage figures included in this prospectus have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them.

[#] *the English translation of Chinese names or words in this prospectus, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

EXPECTED TIMETABLE

The expected timetable for the Open Offer and the Change in Board Lot Size is set out below:

Event 2015

First day for the free exchange of existing share
certificates in old board lot of 20,000 Shares each
for new share certificates in new board lot of
30,000 Shares each. 9:00 a.m. on Wednesday, 30 December

Latest time for acceptance of and payment for
the Offer Shares 4:00 p.m. on Thursday, 31 December

2016

Latest time for termination of the Underwriting Agreement 4:00 p.m. on Wednesday, 6 January

Announcement of the results of the Open Offer Tuesday, 12 January

Despatch of certificates for the Offer Shares Wednesday, 13 January

Despatch of refund cheques if the Open Offer is terminated. Wednesday, 13 January

Last day of trading of the Shares in old board
lot size of 20,000 Shares in the original counter Wednesday, 13 January

Expected first day of dealings in the Offer Shares 9:00 a.m. on Thursday, 14 January

Effective date of change in board lot size from
20,000 Shares to 30,000 Shares. Thursday, 14 January

Original counter for trading in the Shares in old board
lots of 20,000 Shares each becomes counter for trading in
the Shares in new board lots of 30,000 Shares each 9:00 a.m. on Thursday, 14 January

Temporary counter for trading in the Shares in old board
lots of 20,000 Shares each opens 9:00 a.m. on Thursday, 14 January

Parallel trading in the Shares (in old board lots of
20,000 Shares each and new board lots of 30,000
Shares each) commences 9:00 a.m. on Thursday, 14 January

EXPECTED TIMETABLE

Designated brokers starts to stand in the market to
provide matching services for sale and purchase of
odd lots of Shares 9:00 a.m. on Thursday, 14 January

Temporary counter for trading in the Shares in old board
lots of 20,000 Shares each closes 4:00 p.m. on Wednesday, 3 February

Parallel trading in the Shares (in old board lots of
20,000 Shares each and new board lots of 30,000
Shares each) ends..... 4:00 p.m. on Wednesday, 3 February

Designated brokers ceases to stand in the market to
provide matching services for sale and purchase of
odd lots of Shares 4:00 p.m. on Wednesday, 3 February

Last day for free exchange of existing share
certificates in old board lots of 20,000 Shares
each for new share certificates in new board
lots of 30,000 Shares each..... Friday, 5 February

Note:

All times and dates in this Prospectus refer to Hong Kong local times and dates. Shareholders should note that the dates and deadlines specified in this Prospectus for events in the timetable for (or otherwise in relation to) the Open Offer are indicative only and may be extended or varied by agreement among the Company and the Underwriters.

In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EXPECTED TIMETABLE

Effect of bad weather on the Latest Time for Acceptance

The Latest Time for Acceptance will not take place at 4:00 p.m. on Thursday, 31 December 2015 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances is:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance, the Latest Time for Acceptance will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on Thursday, 31 December 2015, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

TERMINATION OF THE UNDERWRITING AGREEMENT

If prior to the Latest Time for Termination (provided that for the purposes of the Underwriting Agreement if the date of the Latest Time for Termination shall be a Business Day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day, the date of the Latest Time for Termination shall be the next Business Day on which no tropical cyclone warning signal no. 8 or above or no black rainstorm warning signal is or remains hoisted in Hong Kong between 9:00 a.m. and 4:00 p.m. on that day):

- 1) in the reasonable opinion of the Underwriters, the success of the Open Offer would be materially and adversely affected by:
 - a) the introduction of any law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriters, would materially and adversely affect the business or the financial or trading position of the Group as a whole or would be materially adverse in the context of the Open Offer; or
 - b) 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 hereof), of a political, military, financial, economic or other nature (whether or not ejusdem generic 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 markets which may, in the reasonable opinion of the Underwriters, would materially and adversely affect the business or the financial or trading position or prospect of the Group as a whole or materially and adversely prejudice the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- 2) any adverse change in market conditions (including, without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction of trading in securities) occurs which in the reasonable opinion of the Underwriters are likely to materially and adversely affect the success of the Open Offer or otherwise makes it inexpedient or inadvisable to proceed with the Open Offer; or
- 3) there is any change in the circumstances of the Company or any member of the Group which in the reasonable opinion of the Underwriters will materially and adversely affect the prospects of the Company, including without limiting the generality of the foregoing the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- 4) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- 5) any other material adverse change in relation to the business or the financial or trading position or prospects of the Group as a whole whether or not ejusdem generis with any of the foregoing; or
- 6) any matter which, had it arisen or been discovered immediately before the date of the Prospectus and not having been disclosed in the Prospectus, would have constituted, in the reasonable opinion of any of the Underwriters, a material omission in the context of the Open Offer; or
- 7) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive Business Days, excluding any suspension in connection with the clearance of the Announcement, the Prospectus Documents or other announcements or circulars in connection with the Open Offer.

the Underwriters shall be entitled jointly by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

In the event that the Underwriters terminate the Underwriting Agreement, all obligations of each of the parties to the Underwriting Agreement shall cease and no party shall have any claim against any other party for costs, damages, compensation or otherwise in respect of any matter arising out of or in connection with the Underwriting Agreement except for, among others, any antecedent breach of any obligation under the Underwriting Agreement.

LETTER FROM THE BOARD

WEALTH GLORY HOLDINGS LIMITED

富譽控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8269)

Executive Directors:

Mr. Wong Ka Wah, Albert (*Chairman*)

Mr. Hong Sze Lung (*Chief executive officer*)

Mr. Kwong Yuk Lap

Non-executive Directors:

Mr. Lau Wan Pui, Joseph

Mr. Law Chung Lam, Nelson

Independent non-executive Directors:

Mr. Leung Ka Tin

Mr. Tam Chak Chi

Mr. Chow Chi Fai

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:*

17/F.,

No. 8 Wyndham Street

Central

Hong Kong

16 December 2015

*To the Qualifying Shareholders, and for information only
to the Non-Qualifying Shareholders*

Dear Sir or Madam,

**OPEN OFFER ON THE BASIS OF
ONE (1) OFFER SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE AT AN OFFER PRICE OF
HK\$0.07 PER OFFER SHARE**

INTRODUCTION

Reference is made to the Announcement in relation to, among others, the Open Offer.

On 9 November 2015, the Company announced that it proposes to raise not less than approximately HK\$95.9 million and not more than approximately HK\$112.2 million, before expenses, by way of the Open Offer of not less than 1,369,572,000 Offer Shares and not more than 1,603,106,000 Offer Shares at the Subscription Price of HK\$0.07 per Offer Share on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date. No excess application of Offer Shares will be available.

LETTER FROM THE BOARD

As at the Record Date, the Company had 2,739,144,000 Shares in issue. As such, on the basis of one (1) Offer Share for every two (2) existing Shares held on the Record Date, 1,369,572,000 Offer Shares will be allotted and issued by the Company, which will be underwritten by the Underwriters pursuant to the Underwriting Agreement.

The purpose of this Prospectus is to provide you with details regarding the Open Offer, including information on dealing in and application for the Offer Shares, financial and other information in respect of the Group.

PROPOSED OPEN OFFER

Basis of the Open Offer:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Subscription Price:	HK\$0.07 per Offer Share
Number of Shares in issue as at the Record Date:	2,739,144,000 Shares
Number of Offer Shares:	1,369,572,000 Offer Shares
	The aggregate nominal value of the Offer Shares will be HK\$13,695,720.00
Number of Shares in issue immediately upon completion of the Open Offer:	4,108,716,000 Shares (assuring no new Shares (other than the Offer Shares) are allotted and issued on or before completion of the Open Offer)
Underwriters:	Koala Securities Limited and Supreme China Securities Limited
Funds to be raised before expenses:	approximately HK\$95.9 million

LETTER FROM THE BOARD

As at the Latest Practicable Date,

- (i) there are outstanding Share Options to subscribe for an aggregate of 337,068,000 Shares; and
- (ii) there are outstanding Warrants convertible into a maximum of 130,000,000 Shares.

Save as disclosed above, the Company has 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.

The Open Offer is fully underwritten by the two Underwriters in equal proportions which shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 11.23(7) of the GEM Listing Rules.

The Offer Shares

Assuming no new Shares (other than the Offer Shares) are allotted and issued on or before completion of the Open Offer, the aggregate number of the Offer Shares represent 50.0% of the Company's issued share capital as at the Latest Practicable Date and approximately 33.3% of the Company's issued share capital as enlarged by the issue of the Offer Shares immediately upon completion of the Open Offer.

Subscription Price

The Subscription Price of HK\$0.07 per Offer Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 27.1% to the closing price of HK\$0.096 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 27.8% to the average closing price of approximately HK\$0.097 per Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (c) a discount of approximately 30.7% to the average closing price of approximately HK\$0.101 per Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day;

LETTER FROM THE BOARD

- (d) a discount of approximately 19.5% to the theoretical ex-entitlement price of approximately HK\$0.087 per Share based on the closing price of HK\$0.096 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a premium of approximately 48.9% over the audited consolidated net asset value per Share of approximately HK\$0.047 as at 31 March 2015 (based on 2,137,144,000 Shares in issue as at 31 March 2015).
- (f) a premium of approximately 7.7% over the closing price of HK\$0.065 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriters with reference to, among other things, the market price and trading liquidities of the Shares under the prevailing market conditions and the financial position of the Group. As all Qualifying Shareholders are entitled to subscribe for the Offer Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Board considers that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their percentage shareholdings in the Company and participate in the future growth of the Group. The Board considers that the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions of the Open Offer

The Open Offer is conditional upon the fulfillment or waiver (as the case may be) of the following conditions:

- 1) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules, the Companies Ordinance and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Prospectus Posting Date;
- 2) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Non-Qualifying Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Prospectus Posting Date;

LETTER FROM THE BOARD

- 3) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the Offer Shares by no later than the first day of their dealings;
- 4) the obligations of the Underwriters becoming unconditional and that the Underwriting Agreement is not terminated in accordance with the terms thereof; and
- 5) the representation, warranties and undertakings of the Company as set out in the Underwriting Agreement remain true and correct.

The Company shall use all reasonable endeavours to procure the fulfilment or waiver (as the case may be) of all the above conditions precedent by the Latest Time for Termination or such other time and date as the Company and the Underwriters may agree and in particular, the Company shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may be necessary in connection with the listing of the Offer Shares or to give effect to the Open Offer and the arrangements contemplated under the Underwriting Agreement.

The Company has made an application to the Stock Exchange for the listing of, and permission to deal in, the Offer Shares.

The Underwriters may at any time by notice in writing to the Company jointly waive the condition set out in paragraph (5) above. As at the Latest Practicable Date, the Underwriters have no intention to waive the condition set out in paragraph (5). Save and except for the condition set out in paragraph (5) above, the other conditions are incapable of being waived. If the conditions precedent set out in paragraphs (1) to (5) are not fulfilled and/or waived in whole or in part jointly by the Underwriters by the Latest Time for Termination or such other date as the Company and the Underwriters may agree, the Underwriting Agreement shall terminate (save and except the provisions regarding fees, notices, miscellaneous and governing law and jurisdiction which shall remain in full force and effect) and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches.

As at the Latest Practicable Date, none of the above conditions have been fulfilled.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Shares then in issue in all respects. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares, which are registered in the branch 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.

LETTER FROM THE BOARD

Qualifying Shareholders

The Open Offer will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Non-Qualifying Shareholders. To qualify for the Open Offer, Shareholders must be registered as members of the Company on the Record Date and must be a Qualifying Shareholder.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Based on the register of members of the Company, the Company did not have any Overseas Shareholders as at the Record Date. Accordingly, there are no Non-Qualifying Shareholders under the Open Offer.

No application for excess Offer Shares

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriters.

If application for excess Offer Shares is arranged, the Company will be required to put in additional effort and costs including preparing and arranging the excess application, reviewing the relevant documents, liaising with professional parties and printing of application forms, etc. It is estimated that an additional cost of approximately HK\$100,000 to administer the excess application procedures will be incurred, which is not cost effective from the viewpoint of the Company.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro-rata shareholding in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriters, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to subscribe or procure subscription for the Offer Shares which have not been taken up by the Qualifying Shareholders.

LETTER FROM THE BOARD

Fractions of Offer Shares

Entitlements to the Offer Shares will be rounded down to the nearest whole number. 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 sold in the open market, if a premium (net of expenses) can be obtained and the net proceeds, after deduction of related expenses arising from such sale, will be retained for the benefit of the Company.

Share certificates and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have accepted and applied for and paid for the Offer Shares on or before Wednesday, 13 January 2016 by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be posted on or before Wednesday, 13 January 2016 by ordinary post to the applicants at their own risk.

Application for listing of the Offer Shares

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal in, the Offer Shares on the 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 dates of dealings in Offer Shares on the Stock Exchange or 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 settlement 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 branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, or any other applicable fees and charges in Hong Kong.

Reasons for the Open Offer and the use of proceeds

The Company is an investment holding company and the Group is principally engaged in the manufacture and sale of fresh and dried noodles; investment in coal trading business; trading of natural resources and commodities; money lending and secured financing business and investments in securities.

LETTER FROM THE BOARD

The Company is seeking to conduct the Open Offer to strengthen its capital base and provide sufficient surplus capital to support future development of the existing and future businesses of the Group and any potential investment or growth opportunities and as well as to strength its working capital.

The gross proceeds from the Open Offer will be approximately HK\$95.9 million. The net proceeds from the Open Offer after deducting the estimated expenses are estimated to be approximately HK\$91.5 million. The Company intends to apply the entire net proceeds from the Open Offer for financing the Possible CN Subscription (as defined below) and/or investment opportunities as may be identified from time to time.

The estimated net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.067.

Development of future business of the Group

The Board has been actively exploring business opportunities in order to diversify the Group's existing businesses. Apart from the vehicle distribution business and investment in restaurant operation, the Group has been in the course of identifying other suitable investment projects. The recent completion of the acquisition of the entire share capital of MD was among the identified investment projects which has been realized. MD is expertized in cut and sew storage cases for electronic accessories and electronic components' design, development, production and distribution. It also specializes in sales and distribution of trendy fashion and apparels in Hong Kong and Asia markets. MD has also entered into brand cooperation agreements with a number of celebrity brands from Taiwan which focus on trendy fashion items among the young generations. It is responsible for the design, manufacture, production, distribution and marketing of the fashion items of these brands. As MD has good connection with celebrities in Taiwan and Hong Kong, it can provide synergy between the celebrities and the brands whereby both can obtain wider exposure in media and different sales channels to increase recognition of the brand and the celebrities. The Board is optimistic on the business prospect of MD and considers that the acquisition would further enhance the profitability of the Group in long-run.

As disclosed in the announcement of the Company dated 23 June 2015 (the “**Acquisition Announcement**”), the Company, as purchaser, has entered into the Purchase Agreement with relevant sellers and the Target Company for the Acquisition of an aggregate of 51.0% equity interest in the Target Company at an aggregate consideration of HK\$204,000,000, which shall be satisfied by allotment and issue of the Shares by the Company at issue price of HK\$0.25 per Share.

LETTER FROM THE BOARD

The Target Company through its subsidiaries owns and operates the online distribution platform, namely Letao. Letao is a well-established nationwide e-commerce platform for footwear. It underwent transformation and acquisition recently, and will carry out marketing with its new position. Letao plans to upgrade its upstream and downstream industrial chains by adopting the online to offline (O2O) business model as its core business, and will insist on development of online sale platform for footwear, combining production and sales into one whole, enhancing technological innovation and product innovation as well as maintaining and enhancing its lasting competitiveness. Meanwhile, Letao intends to provide footwear franchisers with one-stop services, which include interactive price quote information enquiry service, online ordering, movable specialty stores and logistic support.

Pursuant to the terms of the Purchase Agreement, the Target Company shall issue and the Company shall subscribe for the first batch convertible notes with principal amount of HK\$30 million at an interest rate of 5% per annum (the “**1st Batch CN**”) within 3 months from the date of completion of the Acquisition (the “**Acquisition Completion**”). The Company is required to subscribe the second batch convertible notes (the “**2nd Batch CN**”) and third batch convertible notes (the “**3rd Batch CN**”) with principal amount of HK\$50 million and HK\$20 million respectively at an interest rate of 5% per annum, subject to the terms of the Purchase Agreement with reference to the consolidated financial performance of the Target Company.

If, at the end of the three months period commencing from the issue date of the 1st Batch CN (the “**1st Prescribed Period**”), (i) the consolidated profit before tax (prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRS**”) and excluding any extraordinary gain) of the Target Company reaches or exceeds RMB9,600,000 at the end of the 1st Prescribed Period or (ii) the consolidated revenue (prepared in accordance with HKFRS) of the Target Company reaches or exceeds RMB80,000,000 at the end of the 1st Prescribed Period, the Target Company shall issue and the Company shall subscribe for the 2nd Batch CN. Based on the Board’s current anticipation of tentative time for the Acquisition Completion in the first quarter of 2016, the 1st Prescribed Period will be ending no later than the end of the third quarter of 2016.

If, at the end of the four months period commencing from the issue date of the 2nd Batch CN (the “**2nd Prescribed Period**”), (i) the consolidated profit before tax (prepared in accordance with HKFRS and excluding any extraordinary gain) of the Target Company reaches or exceeds RMB40,000,000 at the end of the 2nd Prescribed Period or (ii) the consolidated revenue (prepared in accordance with HKFRS) of the Target Company reaches or exceeds RMB320,000,000 at the end of the 2nd Prescribed Period, the Target Company shall issue and the Company shall subscribe for the 3rd Batch CN. Based on the Board’s current anticipation of tentative time for the Acquisition Completion in the first quarter of 2016, the 2nd Prescribed Period will be ending no later than the first quarter of 2017.

LETTER FROM THE BOARD

The maximum aggregate principal amount of the convertible notes to be subscribed by the Company is HK\$100 million (the “**Possible CN Subscription**”) and the Group intends to finance the Possible CN Subscription through the Open Offer. Pursuant to the Purchase Agreement, completion of the Open Offer is one of the conditions precedent for the Acquisition Completion to take place. The Acquisition will not proceed if the Open Offer cannot be completed. Furthermore, the 1st Batch CN of HK\$30 million shall be required to be subscribed by the Company within three months after the Acquisition Completion. Notwithstanding that subscription of the 2nd Batch CN and the 3rd Batch CN will be subject to fulfillment of specific financial performance of the Target Company for the 1st Prescribed Period and the 2nd Prescribed Period respectively, once the aforesaid financial performances of the Target Company have been fulfilled, it will result in immediate funding requirement of the Group for the subscription of the 2nd Batch CN and the 3rd Batch CN. Given the short duration of the 1st Prescribed Period and the 2nd Prescribed Period, being a period of 3 months and 4 months respectively, coupled with historical loss making position of the Group for the past three consecutive years, it will be uncertain whether the Group will be able to raise sufficient funding in a timely manner for subscription of the 2nd Batch CN and 3rd Batch CN in view of the volatility of the securities market and the ever changing market sentiment. In the event that the Group lacks funding for the Possible CN Subscription, it will be in breach of the terms of the Purchase Agreement.

Having assessed the cash position of the Group and the tight schedule for fund raising activities, the Directors consider that it will be a merit for the Group to have readily available fund for the Possible CN Subscription.

The funds from the Possible CN Subscription is essential for the development of the Target Company and its subsidiaries (the “**Target Group**”). Upon the Acquisition Completion, the Target Company will become a non-wholly owned subsidiary of the Company and the financial results of the Target Group will be consolidated into the financial results of the Company. If the Target Group fulfills the financial performance as stipulated in the Purchase Agreement, the Group will be able to participate in the business growth of the Target Group thus improving the Group’s financial performance. Moreover, in respect of the convertible notes may be subscribed by the Group under the Possible CN Subscription, on one hand, the Group will be provided with the option to convert those convertible notes into shares of the Target Company for further increasing its shareholding in the Target Company so as to benefit from the business growth of the Target Group, on the other hand, the Group will earn interest income accrued at 5% per annum on the principal amount of the convertible notes subscribed by the Company under the Possible CN Subscription.

As stated in the Acquisition Announcement, the Board considers the Acquisition allows the Group to tap into the e-commerce business which the Board believes have growth potential. In addition, the Company intends to provide financing to the Target Company by way of Possible CN Subscription for business operation and expansion of the Target Company and its subsidiaries upon the Acquisition Completion.

LETTER FROM THE BOARD

The Board is of the view that the success of fund raising activities will be subject to, among others, the market sentiment. In view of the recent improved market sentiment and taking into account of that in the past few months, the Board considers that it is a suitable time in conducting the Open Offer to provide the Group with sufficient funding for fulfilling the obligations (in particular the Possible CN Subscription) arising from the Acquisition once materialized.

As further disclosed in the announcement of the Company dated 23 October 2015, the parties to the Purchase Agreement are under negotiation to amend various terms of the Acquisition (including but not limited to payment terms, methods and schedule). At the Latest Practicable Date, the parties to the Purchase Agreement have no intention to amend the requirements in connection with the Possible CN Subscription as stipulated in the Purchase Agreement. The Group still maintains the intention to provide financing to the Target Company and its subsidiaries for its business operation and expansion upon the Acquisition Completion by way of Possible CN Subscription. Major proposed amendments which are under negotiation related to (i) amendment on the payment method for settling the consideration for the Acquisition; (ii) price adjustment mechanism to be adopted by the parties to the Purchase Agreement for adjusting the amount of consideration for the Acquisition; and (iii) amendment on the payment terms and schedule. As at the Latest Practicable Date, the supplemental agreement to the Purchase Agreement (the “**Further Supplemental Agreement**”) is not yet finalized and tentatively to be entered into by not later than 31 December 2015. The tentative date of Acquisition Completion (as discussed below) and the tentative timing for the application of the net proceeds for the Possible CN Subscription (as discussed below) will not be affected by the Further Supplemental Agreement. The application of the net proceeds for the Possible CN Subscription will be subject to the timing for completion of the Acquisition to take place. On 30 November 2015 (after trading hours), the parties to the Purchase Agreement entered into a supplemental agreement (the “**November Supplemental Agreement**”) to make certain amendments to the Purchase Agreement. Pursuant to the November Supplemental Agreement, completion of the Open Offer is one of the conditions precedent to the Acquisition Completion and the long stop date to the Acquisition Completion is extended to 22 March 2016.

At the Latest Practicable Date, the Board anticipates the Acquisition Completion to take place tentatively in the first quarter of 2016. In this connection, assuming the Acquisition Completion takes place in the first quarter of 2016 and criteria for the Group to subscribe for the 2nd Batch CN and the 3rd Batch CN are fulfilled, the Group will subscribe for the 1st Batch CN by or around second quarter of 2016 and will complete subscription of the 2nd Batch CN and the 3rd Batch CN by or around late 2016 or early 2017. The Company will update its Shareholders and, where appropriate, publish announcements and circular in accordance with the GEM Listing Rules.

Having regard to the dynamic market conditions such as uncertainties in the global financial market, the Directors consider that the instability of the global financial market will persist in the foreseeable future and might have a negative impact to the revenue and operational cash flows of the Group and may further reduce its cash available for the working capital, therefore, the Open Offer is in the benefit of the Group to have the flexibility in raising additional funds to enhance the capital base of the Company and to finance in a rapidly changing investment environment to facilitate the Group’s future business development, investments and acquisitions during such uncertain global financial market environment.

LETTER FROM THE BOARD

In the event that the Acquisitions does not proceed to completion, the Company will allocate the estimated net proceeds from the Open Offer to other potential investment opportunities which may arise from time to time and is considered by the Board to be in the interest of the Shareholders and the Group as a whole. The Company will update its Shareholders for such change in use of proceeds and, where appropriate, publish announcement and disclose in the annual report of the Company in accordance with the GEM Listing Rules.

As at the Latest Practicable Date, the Group is also in preliminary negotiation in relation to two potential acquisitions or investment projects which involve online distribution platforms and/or e-commerce business which may also strengthen the sales channel of MD in its sales and distribution of trendy fashion and apparels in Hong Kong, the PRC and certain other Asia markets. The estimated valuation range of the aforementioned potential investment targets is between HK\$100 million and HK\$200 million and the final purchase price will be based on, amongst others, valuation to be undertaken by an independent third party. The completion, the estimated consideration, the investment scale, and the terms and condition in relation to such potential acquisitions will be subject to (i) the negotiation between the parties involved; (ii) the then market conditions in the e-commerce business industry; and (iii) the then financial resources and cash position of the Group. As at the Latest Practicable Date, save for the Purchase Agreement, no concrete terms have been agreed nor have any definitive agreements been reached in relation to such investment projects. The Company will update its shareholders and, where appropriate, publish announcements in accordance with the GEM Listing Rules should such investment projects be realized.

As discussed above, it should be noted that (i) the Group has entered into the Purchase Agreement for the Acquisition and the Acquisition Completion is conditional upon completion of the Open Offer; (ii) given short interval between subscription of each batch of the convertible notes, i.e. less than 3 months or 4 months respectively, it is uncertain whether the Group will be able to raise sufficient funding in a timely manner if the need arises; (iii) lack of readily available funds for the Possible CN Subscription may result in the breach of the Purchase Agreement by the Company; (iv) the Group has entered into preliminary negotiation for two potential acquisitions. Readily available funds will put the Group in a better position and provide the Group with added financial flexibility in the negotiation and decision making process for the aforesaid potential investments and for capturing other investment and business opportunities which may arise from time to time; and (v) both the Open Offer and other potential fund raising activities would take considerable time to complete. In the event that completion time of a fund raising exercise falls behind the timing for the then funding needs of the Group, the Group may lose the chance in capturing a favorable investment and/or business opportunities as identified by the Group. Moreover, in the event the Group lacks funding required for fulfilling its contractual obligation or payment obligation, it may have adverse effect to the liquidity and financial position of the Group. In view of the above, the Directors consider that the Group has imminent funding needs in order to facilitate business development of the Group which will be in the interest of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As at 31 October 2015, the Group has aggregate bank and cash balances amounted to approximately HK\$18.6 million which is intended to be used for general working capital and, where appropriate, investment in listed securities. To the best estimate of the Board, the expected funding needs will be amounted to approximately HK\$28.8 million for the twelve months ending 31 October 2016 which is arrived at after taking into account the latest business development plan and strategy of the Group, the expected capital investment in each of the existing/new business line with reference to the prospect of as well as available resources in overseeing and managing the relevant business line, the repayment schedule of the existing borrowings and the additional operating costs resulting from the business expansion.

The Group intends to make better use of idle funds from time to time in investment in securities which means that whenever there is funding needs, the Group will dispose some or all the listed securities on hand to meet such needs. As at 31 October 2015, the Group's investment portfolio has a market value of approximately HK\$43.5 million which comprised of investment in shares in six Hong Kong listed companies in various sectors.

Assuming the Open Offer will be completed in January 2016 and after taking into account the present available resources and the estimated net proceeds from the Open Offer, the Group will have sufficient working capital for its normal business.

The Board is of the view that the Open Offer will enable the Group to strengthen its capital base and enhance its financial position for future strategic investments when suitable opportunities arise. Despite the inherent dilutive nature of the Open Offer in general if the Qualifying Shareholders do not take up their entitlements under the Open Offer in full, it is the intention of the Company to set the proposed Subscription Price at a discount to the theoretical ex-entitlement price per Share in order to encourage the Shareholders to participate in the Open Offer and reduce the possible dilution of approximately 33.3% to the shareholding of the Shareholders in case they decide not to take up their entitlements under the Open Offer due to an unattractive Subscription Price. Furthermore, the Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding in the Company and participate in the growth and development of the Group.

As shown in the section headed "Changes in the shareholding structure of the Company", assuming that none of the Qualifying Shareholders has subscribed for the Offer Shares, the possible dilution to shareholders of those Qualifying Shareholders who do not participate in the Open Offer is approximately 33.3%. In assessing the possible dilution, the Directors have considered that:

- (i) the Subscription Price represents a discount to the price of the Shares as at the Last Trading Day and to the theoretical ex-entitlement price and is likely to attract the Qualifying Shareholders to participate in the Open Offer;

LETTER FROM THE BOARD

- (ii) the dilution impact on shareholding after taking into account the monetary effect of the Open Offer (estimated based on discount of the Subscription Price to the closing price of the Shares on the Last Trading Day) was approximately 9.0%;
- (iii) the Open Offer offers all the Qualifying Shareholders opportunity to subscribe for their pro-rata Offer Shares for the purpose of maintaining their respective existing shareholding interests in the Company and to participate in the growth and development of the Company at a lower price as compared to the historical and prevailing market prices of the Shares; and
- (iv) those Qualifying Shareholders who choose to accept the Open Offer in full can maintain their respective existing shareholding interests in the Company after the Open Offer.

Accordingly, the Directors are of the view that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole. 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.

In the course of considering the Open Offer, the Company has approached two other securities houses as underwriters. However, neither of them showed interest in providing underwriting service for the Company's proposed Open Offer given the size of the Open Offer and the Company's business scale. Subsequently, the Company approached the Underwriters, being the only available securities houses who agreed to provide underwriting services for the Open Offer.

The Board considers 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. The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing and rights issue. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. Although rights issue can provide a way out to those Shareholders who do not wish to take up the entitlements by selling nil-paid rights, rights issue will involve extra administrative work and costs of approximately HK\$100,000 for the printing, posting and processing of excess applications forms as well as making arrangements with the share registrar on the trading of the nil-paid rights. The Company will also incur resources to administer the trading of the nil-paid right including communication between the Company and other parties such as the registrar or financial printer. Since such resources comprise of, among others, time costs of the management and the staffs of the Company and opportunity costs for other business prospects which are intangible in nature, these additional costs and time are difficult to quantify. In addition, in view of the low historical trading volumes of the Shares and the downward trend of the closing price of the Shares, there is uncertainty of the existence of a market to trade the nil-paid rights.

LETTER FROM THE BOARD

In view of the above, the Board considered that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue.

Underwriting Agreement

Date: 9 November 2015 (as supplemented on 14 December 2015)

Underwriters:	<i>Percentage of Underwritten Shares to be underwritten pursuant to the Underwriting Agreement</i>
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Koala Securities Limited	50%
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Supreme China Securities Limited	50%
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To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriters and their ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Number of Underwritten Shares: Pursuant to the Underwriting Agreement, the Underwriters have conditionally agreed to underwrite the Offer Shares not subscribed by the Qualifying Shareholders

Being not less than 1,369,572,000 Offer Shares and not more than 1,603,106,000 Offer Shares

Underwriting commission: 3.5% of the aggregate Subscription Price in respect of the number of Underwritten Shares on the Record Date

Undertaking of the Company: The Company shall not from the date of the Underwriting Agreement until after the Latest Time for Acceptance issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares

LETTER FROM THE BOARD

Subject to the fulfilment of the conditions (or any waiver, as the case may be, jointly by the Underwriters) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, each of the Underwriters has agreed to subscribe or procure the subscription for all Untaken Shares in equal proportion (except that, in the case of an odd number of Offer Shares or Underwritten Shares or Untaken Shares, the extra Shares shall be the responsibility of Koala Securities Limited).

The terms of the Underwriting Agreement are agreed after arm's length negotiation among the Company and the Underwriters by reference to the existing financial position of the Group, the size of the Open Offer, the current and expected market condition and prevailing market rate. The Board considers that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

The Underwriters may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriters have pursuant to its appointment under the Underwriting Agreement. As at the Latest Practicable Date, none of the Underwriters has entered into any sub-underwriting arrangement.

As at the Latest Practicable Date, the Company does not have any Shareholder holding more than 10% of the issued share capital of the Company.

Conditions of the Underwriting Agreement

The conditions of the Underwriting Agreement have been set out in the section headed "Proposed Open Offer – Conditions of the Open Offer" above.

LETTER FROM THE BOARD

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

The changes in the shareholding structure of the Company arising from the Open Offer are as follows (assuming no new Shares (other than the Offer Shares) are allotted and issued on or before completion of the Open Offer):

	As at the Latest Practicable Date		Immediately after completion of the Open Offer			
			Assuming all the Offer Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders	
	No. of Shares	Approximate%	No. of Shares	Approximate%	No. of Shares	Approximate%
Public Shareholders	2,739,144,000	100.00	4,108,716,000	100.00	2,739,144,000	66.67
Koala Securities Limited and subscribers procured by any of them (Note 1)	-	-	-	-	684,786,000	16.67
Supreme China Securities Limited and subscribers procured by any of them (Note 1)	-	-	-	-	684,786,000	16.67
	<u>2,739,144,000</u>	<u>100.00</u>	<u>4,108,716,000</u>	<u>100.00</u>	<u>4,108,716,000</u>	<u>100.00</u>

Percentage may not add up to 100 per cent due to rounding.

Note:

1. *In the event of the Underwriters being called upon to subscribe for or procure subscribers of the Underwritten Shares pursuant to the Underwriting Agreement,*
 - (i) *the Underwriters shall not subscribe, for its own account, for such number of Underwritten Shares, which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriters and parties acting in concert (within the meaning of the Takeovers Code) with it upon the completion of the Open Offer;*

LETTER FROM THE BOARD

- (ii) *the Underwriters shall use all reasonable endeavours to ensure that each of the sub-underwriters or subscribers or purchasers of the Underwritten Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholders of the Company or their respective associates (as defined in the GEM Listing Rules); and (ii) shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold such number of Underwritten Shares which will trigger a mandatory offer obligation under Rule 26 of the Takeovers Code on the part of such sub-underwriters or subscribers or purchasers and parties acting in concert (within the meaning of the Takeovers Code) with it upon completion of the Open Offer; and*
- (iii) *the Underwriters shall use all reasonable endeavours to procure that the minimum public float requirement under the GEM Listing Rules be fulfilled by the Company upon completion of the Open Offer.*

WARNING OF THE RISKS OF DEALING IN SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriters 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 if they are in any doubt about their position, they should consult their professional advisers.

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group which includes, but does not limit to, the following:

Business risks relating to the Group

The Group's business is organized in four operating and reportable segments, namely (i) natural resources and commodities; (ii) packaged food; (iii) money lending and (iv) securities investments.

LETTER FROM THE BOARD

(a) Natural Resources and Commodities Segment

Reliance on key management in the conduct of the Group's business

Given that the trading of natural resources and commodities requires special knowledge in these products such as their components of specifications and also the practical experience of such transactions, the financial performance of the natural resources and commodities will be dependent, to a significant extent, on the knowledge and experience of the management team of the natural resources and commodities segment. In the event that the Group is unable to retain or secure the qualified personnel in this segment, or the Group is unable to appoint qualified personnel to monitor the operation of this segment, there may be a material adverse impact on the Group's natural resources and commodities business operation in future.

To mitigate this risk, the Group has remuneration policies in place that are competitive in the market in order to retain existing member of the management team and also to attract new talents. The management team of the natural resources and commodities segment are awarded based on their performance and contributions to the Group, including but not limited to the year end bonus and the discretionary share options may be issued to them.

No assurance of sufficient supplies and purchase

The Group's trading of natural resources and commodities relies on the sufficient supplies from a limited number of suppliers and its operation also relies on the permits, certificates and/or other legal arrangements in relation to the supply and export of these natural resources and commodities by the suppliers. There is no assurance that the Group will not encounter any interruption, delay or shortage in supply from these suppliers in the future. In the event of occurrence of (i) any interruption, delay or shortage in supply from these suppliers; (ii) the termination or breach of the supply agreements signed between these suppliers and the Group; or (iii) the failure to renew and obtain the necessary license, permits and certificates, or other viable and legal arrangement for the provision of the natural resources and commodities by these suppliers, and that the Group cannot source an alternative supply of the corresponding products which can met the requirements of the Group's customers in a timely manner, its business operation and future profitability may be materially and adversely affected.

The management manages and monitors these risk exposures to ensure, to the extent possible, a diversified suppliers base is in place.

LETTER FROM THE BOARD

No assurance of sufficient customers and demand

Meanwhile, the Group's trading of natural resources and commodities also relies on the sufficient demands from a limited number of customers and its operation also relies on the permits and certificates in relation to the purchase and import of these natural resources and commodities by these customers. In the event of (i) the cessation of business relationship between the Group and the customers; (ii) termination or breach of the contracts/agreements by the customers; or (iii) the failure to renew and obtain the necessary license, permits and certificates by the customers, the Group's business and future profitability may be materially and adversely affected. The management manages and monitors these risk exposures to ensure, to the extent possible, a diversified customers base is in place.

Further, certain major products of natural resources and commodities traded by the Group's associates including coal used for power generation in power stations and steel mills in the PRC. The business prospects of these trading are heavily relied on the continuous ultimate demand from power stations and steel mills. In the event that there is any significant downturn in the PRC power and steel industry, the Group's business and future profitability will be materially and adversely affected. The management manages and monitors these exposures by diversifying its product lines such as crude palm oil etc.

(b) Packaged Food Segment

Reliance on key management in the conduct of the Group's business

The Group's packaged food segment mainly refers to the manufacture and sale of dry and fresh noodles in the PRC. The success of the business in the segment in the prior years, to certain extent, relied on the experienced key management which include Ms. Lee Yau Lin, Jenny ("**Ms. Lee**") and Mr. Wong Wing Fat ("**Mr. Wong**") both of whom were former controlling shareholders. Ms. Lee and Mr. Wong resigned as directors of the Company in November 2013 and September 2013, respectively. Although both Ms. Lee and Mr. Wong remain as director/consultant of subsidiary companies of this segment, the management of this segment may still need to recruit new talents with sufficient experience in this industry in the long run in order to develop this business segment.

To mitigate this risk, the Group has been identifying suitable candidates from time to time whereas at the same time retaining the services by Ms. Lee and Mr. Wong for the Group.

LETTER FROM THE BOARD

Instances of food contamination and staleness could materially harm the Group's reputation and negatively impact its business

The Group's packaged food business by its nature has a relatively higher risks involving the food contamination and staleness as well as being vulnerable to the possible outbreak of food scares in the PRC. Although the Group is not aware of food contamination or product staleness, it keeps alert on these exposures. As such, the Group has quality assessment and logistics procedures in order to minimize the related risks.

In addressing this risks of possible outbreak of food scares to the type of raw material used for the manufacture of noodles in this business segment, the management of this segment has been trying its best endeavor in producing more variety of products and, to the extent possible, using alternative types of raw materials.

The noodle industry is highly competitive in the PRC. If the Group is not able to compete with the Group's competitors, the Group's results could be adversely affected

The noodle industry is highly competitive in the PRC. Some of our Group's existing competitors have longer operating histories, larger customer bases, stronger relationships with customers and suppliers and greater financial, technical, marketing and public relations than that of our Group. Competition usually comes in the form of price cuts, rapid new product introduction and intensive and aggressive advertising or promotional campaigns. In addition, there are no strong barriers to entry against new entrants to the noodle industry which will worsen the intense competitive arena.

To mitigate the related risks, the Group has been developing new variety of products to keep its attractiveness in the market and at the same time keep its cost of production to the lowest possible.

(c) Money Lending

The money lending business is a new business segment of the Group and the management of this segment was newly recruited in the previous year. Although the key management comprises those having extensive experience in the financial business, the inherent risk of this relatively new business is considered to be higher. To mitigate this risk, the Group closely monitors the performance of this business segment by designating one of the directors of the Company with relevant experience as director of this business segment and report to the board of the Company directly.

Other risks exposure in relation to this business segment mainly rest on the credit risks which are set out in the "Credit Risk" paragraph in this section.

LETTER FROM THE BOARD

(d) Securities Investments

The securities investment operation is directly affected by the overall securities markets and the economic and political conditions including but not limited to the monetary policies, legislations and regulations in relation to the financial and securities industries and fluctuations in interest rates and exchange rates etc.

Any adverse change in market sentiment would also lead to a downturn in the securities markets which may in turn affect the value of the Group's investment portfolio held from time to time whereas any adverse change in economic environment may also affect the dividend policies of companies over which the Group has equity interest and thus adversely affect its overall investment returns. Although certain management of the Group, who are in-charge of the investment decision, possess deep knowledge and experience in the capital and securities market, investment decisions and judgments exercised by the management are based on its assessment of the market conditions and the factors discussed above as well as the discretion and assumptions used by them. Any occurrence of uncontrollable and unanticipated situations may adversely affect the investment return from the securities investment operation.

Financial risks relating to the Group

The Group's major financial instruments include trade receivables, loan receivables, other receivables and deposits, loan to associates, bank balances, trade payables, accruals and other payables, promissory note, bonds and borrowings. The risks associated with these financial instruments include market risk (interest rate risk, currency risk and price risk), credit risk and liquidity risk and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Currency risk

Certain bank balances of the Group are denominated in foreign currencies which are different from functional currencies of respective group entities. As at the Latest Practicable Date, bank balances of respective group entities denominated in foreign currencies were immaterial. The Group does not have a foreign currency hedging policy. However, management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank balances. The Group is exposed to fair value interest rate risk in relation to the fixed-rate loans to associates, loans receivables, bonds, promissory notes and borrowings through the impact of changes in market interest rate. The Group currently does not have interest rate hedging policy. However, the management will consider hedging significant interest rate exposure should the need arise.

LETTER FROM THE BOARD

The management considers that the Group's exposure to cash flow interest rate risk on variable-rate bank balances as a result of the change of market interest rate is insignificant due to its short-term maturity.

(iii) Price risk

The Group is exposed to price risk through its natural resources trading business of which their prices fluctuate directly with the commodity price (i.e. price of coal and palm oil). The commodity price is affected by a wide range of global and domestic factors which are beyond the control of the Group. The fluctuation in commodity prices may have favourable or unfavourable impacts to the Group. The management considers that the price risk is mitigated through entering into corresponding contracts with customers and the Group's pricing policy in relation to the suppliers' and customers' contracts. Accordingly, the exposure of the Group to price risk is considered insignificant by the management of the Group.

(b) Credit risk

As at the Latest Practicable Date, the Group's credit risk is primarily attributable to trade receivables, loan receivables, other receivables, loans to associates and investee company and bank balances.

As at the Latest Practicable Date, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is the carrying amounts of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group has significant concentration of credit risk on loan to associates and investee company as the credit risk is attributable to two counterparties as at the Latest Practicable Date. The Directors continuously monitor the credit quality and financial conditions of these associates and investee company and the level of exposure to ensure the follow up action is taken to recover the debt. The management closely monitors the subsequent settlement of its customer. Other than these, there is no significant concentration of credit risk in receivables as the exposure spread over a number of counterparties and customers.

In relation to the money lending business, the Group has also adopted internal control procedures for the identification and evaluation of the legal ownership and accurate valuation of property or other collaterals. The Group usually grants loans with a loan-to-value ratio of less than a benchmark of 70% of the value of the collateral subject to judgement made by the top management of the Group's money lending business after taking into consideration of different factors including market conditions, type of collateral and financial background of borrowers etc. For the valuation of the collateral, the Group will make reference to either a third party valuer or the internet valuation services provided by banks in Hong Kong. The Group holds collateral against loan receivables in the form of mortgages over property or other assets. The Group considers that the credit risk arising from the loan receivables is significantly mitigated by the property and other assets held as collateral, with reference to the estimated market value of the property or the relevant assets at the grant date.

LETTER FROM THE BOARD

In order to minimise the credit risk, management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, management reviews the recoverable amount of each individual debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(c) *Liquidity risk*

The Group manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents secured adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of borrowing and ensure compliance with loan covenants.

Risks related to politics, economics and regulations

The business operations of the Group are primarily based in the PRC and Hong Kong. Accordingly, the Group's operating results, financial position and prospects could be adversely affected by economic, political and legal developments in the PRC and Hong Kong. If there is any material adverse change in the general economic, political and legal developments in the PRC and Hong Kong, the Group's operations and financial position may be adversely affected.

Risks relating to the Share price

The price and trading volume of the Shares will be determined by the market and may be highly volatile. Factors such as variations in the Group's revenue, earnings and cash flows, changes in or challenges to its business, announcements of new investments, acquisitions or disposals, the depth and liquidity of the market for the Shares, investors' perceptions of the Group and general political, economic, social and market conditions both globally and in the PRC or Hong Kong could cause the market price of the Shares to change substantially.

Risks relating to the Open Offer

Under the Underwriting Agreement, the Underwriters shall be entitled by notice in writing to the Company to terminate its obligations upon the occurrence of any of the events stated in the section headed "Termination of the Underwriting Agreement" in this Prospectus on or before the Latest Time for Termination.

LETTER FROM THE BOARD

Should the Open Offer proceed as intended, the interest of the existing Shareholders in the Company will be diluted if they do not or cannot, as the case may be, subscribe for the Offer Shares which they are entitled to.

Additional Risk

Additional risks and uncertainties not presently known to the Directors, or not expressed or implied above, or otherwise deemed immaterial by the Directors as at the Latest Practicable Date, may also adversely affect the Group's business, operating results and financial condition in a material aspect.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past twelve months immediately preceding the date of the Announcement and up to the Latest Practicable Date:

Date of announcement	Date of completion	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
24 November 2014	3 December 2014	Placing of 220,000,000 Shares under general mandate	HK\$63.3 million	For general working capital of the Company and settlement of certain liabilities of the Company	The proceeds of the placing were used for payment of (i) the refundable deposit of the possible acquisition of Southernpec Singapore Storage and Logistics Limited ("Southernpec"), of HK\$10 million, (ii) portion of the license fee of HK\$5.1 million of the distribution of supercar in the PRC, (iii) the legal and professional fees of the above transactions of an aggregate amount of HK\$0.8 million, (iv) advance of HK\$7.7 million to an associate for restaurant operation, (v) redemption of bond of aggregate principal amount and interest thereon of HK\$3.3 million, (vi) trade deposits for purchase of supercars of HK\$8 million, (vii) trade deposit of natural resources and commodities products of HK\$6.7 million, (viii) prepayment of supercar sponsorship fee of HK\$7.2 million for corporate marketing purpose, (ix) other prepaid fee and charges of HK\$2.2 million, and (x) general administration expenses mainly include office overhead of HK\$12.3 million

LETTER FROM THE BOARD

Date of announcement	Date of completion	Fund raising activity	Net proceeds	Intended use of proceeds	Actual use of proceeds
13 April 2015	24 April 2015	Placing of 162,000,000 Shares under general mandate	HK\$33.3 million	For general working capital of the Company and settlement of certain liabilities of the Company	The proceeds of the placing were used for payment of (i) redemption of promissory notes of aggregate principal amount and interest thereon of HK\$3.3 million; (ii) the legal and professional fees of the possible acquisition of Southernpec of an aggregate amount of HK\$0.6 million; (iii) loan to a related company of HK\$5 million; (iv) working capital for general expenses, trading activities and other business activities of HK\$12.7 million; (v) finance cost of HK\$0.5 million on outstanding bond; and (vi) HK\$11.2 million cash deposited to the Company's investment account with its broker for securities investments from time to time.
9 September 2015	24 September 2015	Placing of 380,000,000 Shares under general mandate	HK\$39.7 million	For general working capital of the Company	The proceeds of the placing were used for payment of (i) legal and professional fee of HK\$2 million for previous proposed open offer and investment projects including Southerpec, Letao and MD; (ii) cash consideration of HK\$3 million for the acquisition of MD; (iii) money lent of HK\$7 million; (iv) working capital for general expenses, trading activities and other business activities of HK\$10 million; (v) HK\$10 million cash deposited to the Company's investment account with its broker for securities investments from time to time; and (vi) the remaining balance is to be used as general working capital.

LETTER FROM THE BOARD

Shareholding dilution effects and cumulative dilution effects of fund raising activities over the past 12 months and the Open Offer

The Group conducted three fund raising activities over the 12 months preceding the date of the Announcement and up to the Latest Practicable Date, namely Placing 1, Placing 2 and Placing 3 (as defined below).

According to the announcement of the Company dated 24 November 2014 in relation to the placing of 220,000,000 Shares under general mandate (the “**Placing 1**”), immediately prior to completion of the Placing 1, public shareholders of the Company held 1,611,312,000 Shares, representing approximately 84.0% (the “**Initial Public Shareholding**”) of the then total number of issued Shares, being 1,917,144,000 Shares.

After Placing 1, two placing of Shares were completed, namely, placing of 162,000,000 Shares under general mandate announced on 13 April 2015 (the “**Placing 2**”) and placing of 380,000,000 Shares under general mandate announced on 9 September 2015 (the “**Placing 3**”).

The dilution effects of each respective fund raising activity in the 12 months preceding the date of the Announcement and up to the Latest Practicable Date and the Open Offer and cumulative dilution effects are set out below:

	Total no. of Shares	Initial Public Shareholding (being 1,611,312,000 Shares) to the total no. of Shares Approximate%	Dilution effects of each respective fund raising activity or consideration shares issued	Cumulative dilution effects
Immediately prior to Completion of the Placing 1	1,917,144,000	84.0%	N/A	N/A
Immediately after Completion of the Placing 1	2,137,144,000	75.4%	10.3%	10.3%
Immediately after Completion of the Placing 2	2,299,144,000	70.1%	7.1%	16.6%
Immediately after Completion of the Placing 3	2,679,144,000	60.1%	14.2%	28.5%
Immediately after issue of 60,000,000 consideration shares as part of the consideration for the MD Acquisition	2,739,144,000	58.8%	2.2%	30.0%
Immediately after Completion of the Open Offer (<i>Note</i>)	4,108,716,000	39.2%	33.3%	53.3%

Note: Immediately after completion of the Open Offer and assuming none of the Offer Shares are subscribed for by the Qualifying shareholders and no new Shares (other than the Offer Shares) are allotted and issued on or before completion of the Open Offer.

LETTER FROM THE BOARD

PROPOSED CHANGE IN BOARD LOT SIZE

In view of the Open Offer, the Board proposes to change the board lot size for trading of the Shares from 20,000 Shares to 30,000 Shares.

Reasons for and benefits of the Change in Board Lot Size

Based on the closing price of HK\$0.065 per Share as at the Latest Practicable Date, the value of each board lot of 30,000 Shares would be HK\$1,950.

The Change in Board Lot Size are expected to bring about a corresponding upward adjustment in the trading price per board lot of the Shares on the Stock Exchange, which will reduce the overall transaction and handling costs for dealings in the Shares as a proportion of the market value of each board lot. Therefore, with a higher trading price of the Shares and reduction of the transaction and handling costs as a proportion of the market value of each board lot, the Company believes that the Change in Board Lot Size will make investing in Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. As such, the Board believes that the Change in Board Lot Size may attract more investors and extend the shareholders' base of the Company. In view of the above, the Board considers that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole.

The Change In Board Lot Size will not result in any change in the relative rights of the Shareholders.

Odd lots arrangement and matching services

To alleviate the difficulties in trading odd lots of the Shares (if any) arising from the Change in Board Lot Size, the Company has appoint Supreme China Securities Limited as an agent to provide matching services, on a best effort basis, to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from 9:00 a.m. on Thursday, 14 January 2016 to 4:00 p.m. on Wednesday, 3 February 2016 (both dates inclusive). Holders of Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Alexander Chow of Supreme China Securities Limited at Room D-F, 17/F, Hang Seng Tsuen Wan Building, 289 Sha Tsui Road, Tsuen Wan, Hong Kong (telephone: (852) 2153 3987 and facsimile: (852) 2153 3978) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

LETTER FROM THE BOARD

Exchange of new share certificates

Shareholders may submit their existing share certificate(s) in old board lot of 20,000 Shares each to the Registrar at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, in exchange for new share certificates in new board lot of 30,000 Shares each free of charge between 9:00 a.m. and 4:00 p.m. on any business day from Wednesday, 30 December 2015 to Friday, 5 February 2016, both days inclusive. After the expiry of such period, existing share certificates in old board lot of 20,000 Shares each will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate in new board lot of 30,000 Shares each issued or each existing share certificate in old board lot of 20,000 Shares each submitted, whichever number of share certificate involved is higher. It is expected that the new share certificates in new board lot of 30,000 Shares each will be available for collection from the Registrar by the Shareholders within 10 business days after delivery of the existing share certificate(s) to the Registrar for exchange purposes.

The new share certificate in new board lot of 30,000 Shares each will have the same format and colour as the existing share certificate.

All existing share certificates in board lot of 20,000 Shares each will continue to be good evidence of legal title to such Shares and be valid for delivery, trading and settlement purposes.

LETTER FROM THE BOARD

ADJUSTMENTS IN RELATION TO THE OUTSTANDING SHARE OPTIONS AND WARRANTS

As at the Latest Practicable Date, there are outstanding Share Options granted under the Share Option Scheme and Warrants entitling the holders thereof to subscribe for up to an aggregate of 337,068,000 Shares and 130,000,000 Shares respectively. The Open Offer may cause adjustments to the exercise price of the outstanding Share Options, Warrants and/or the number of Shares to be allotted and issued upon exercise of the outstanding Share Options and Warrants.

Pursuant to the Share Option Scheme, the exercise price and the number of Shares to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options would be adjusted which give the grantees the same proportion of the equity capital of the Company as to which the grantees were previously entitled, and any adjustments so made shall be in compliance with the GEM Listing Rules and such applicable guidance and/or interpretation of the GEM Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplementary Guidance on GEM Listing Rule 23.03(13) and the Note immediately after the Rule” (the “**Guidance**”) attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to the share option scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value.

According to the Guidance, the formula for an issue of securities with a price-dilutive element under the Open Offer would be to multiply the number of shares subject to options by the scrip factor (F), and divide the exercise price by the scrip factor based on the following formula:

$$F = \text{CUM}/\text{TEEP}$$

where:

CUM = closing price as shown in daily quotation sheet of the Stock Exchange on the last trading day before going ex-entitlement to the offer (the cum-rights price)

TEEP = theoretical ex-entitlement price (based on offer ratio, offer price, and CUM)

The exercise price and the number of Shares to be allotted and issued upon exercise of the subscription rights attaching to the outstanding Share Options would be adjusted as follows:

LETTER FROM THE BOARD

Adjustment to the Share Options

Date of grant	Immediately before the Open Offer		Immediately after the Open Offer	
	Exercise price per Share (HK\$)	Existing number of Shares subject to the Share Options	Adjusted exercise price per Share (HK\$)	Adjusted number of Shares subject to the Share Options
11 July 2011	0.355	20,000,000	0.346	20,540,000
17 February 2014	0.240	39,000,000	0.234	40,053,000
15 April 2014	0.260	83,000,000	0.253	85,241,000
14 July 2014	0.270	36,900,000	0.263	37,896,300
13 October 2014	0.370	158,168,000	0.360	162,438,536

Pursuant to the terms and conditions of the Warrants, the exercise price of the Warrant of HK\$0.24 shall be adjusted by multiplying the exercise price in effect immediately prior to the date of issue of such Shares or, as the case may be, the issue or grant of such rights by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A = the number of Shares in issue on the Business Day immediately preceding the date of the first public announcement of the terms of such issue and grants;
- B = the number of Shares which the aggregate consideration would purchase at the market price of the Shares on the date of the first public announcement of the terms of such issue and grants; and
- C = (1) in the case of an issue of Shares, the number of Shares issued; or
- (2) in the case of an issue or grant of rights, the maximum number of Shares which could be issued upon exercise in full of the rights to subscribe for, purchase or otherwise acquire Shares and, if applicable, share-related securities pursuant to the terms of such rights and, if applicable, share-related securities at the initial price or rate.

LETTER FROM THE BOARD

Pursuant to the terms and conditions of the Warrants, the exercise price of the Warrants shall be adjusted from HK\$0.24 per Warrant Share to HK\$0.216 per Warrant Share as a result of the Open Offer.

The Company will make further announcement in respect of such adjustments as and when appropriate.

TAXATION

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the Offer Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the Offer Shares on their behalf.

It is emphasised that none of the Company, the Directors nor any other parties involved in the Open Offer accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Offer Shares.

PROCEDURES FOR ACCEPTANCE AND PAYMENT FOR THE OFFER SHARES

The Application Form is enclosed with this prospectus which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of Offer Shares as shown therein subject to payment in full by the Latest Time for Acceptance. Qualifying Shareholders should note that they may subscribe for any number of Offer Shares only up to the number set out in the Application Form.

If Qualifying Shareholders wish to exercise their rights to subscribe for all the Offer Shares offered to them as specified in the Application Form or to exercise their rights to subscribe for any number less than their entitlements under the Open Offer, they must complete, sign and lodge the Application Form in accordance with the instructions printed thereon, together with remittance for the full amount payable in respect of such number of Offer Shares they have subscribed for with the Company's branch share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, by not later than 4:00 p.m. on Thursday, 31 December 2015. All remittance(s) must be made in Hong Kong dollars and cheques must be drawn on an account with, or cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Wealth Glory Holdings Limited – Open Offer Account" and crossed "Account Payee Only".

LETTER FROM THE BOARD

It should be noted that unless the duly completed and signed Application Form, together with the appropriate remittance, have been lodged with the Company's branch share registrar, Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, by not later than 4:00 p.m. on Thursday, 31 December 2015, the relevant assured allotment of Offer Shares and all rights and entitlements in relation thereto shall be deemed to have been declined and will be cancelled.

The Application Form contains full information regarding the procedures to be followed if you wish to accept the whole or part of your assured entitlement. All cheques or cashier's orders accompanying completed Application Form will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of an Application Form with a cheque and/or cashier's order, will constitute a warranty by the applicant(s) that the cheque and/or cashier's order will be honoured on first presentation. Any application in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

If the conditions of the Open Offer are not fulfilled and/or the Underwriting Agreement is terminated in accordance with its terms before the Latest Time for Termination, the monies received in respect of acceptance of Offer Shares will be refunded, without interests, by sending a cheque made out to the applicant (or in the case of joint applicants, to the first named applicant) and crossed "Account Payee Only", through ordinary post at the risk of the applicant(s) to the address specified in the register of members of the Company on Wednesday, 13 January 2016.

No action has been taken to permit the offering of the Offer Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this prospectus and/or the Application Form in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Offer Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone receiving this prospectus and/or Application Form outside Hong Kong wishing to make an application for the Offer Shares to satisfy himself/herself/itself before subscribing for the assured allotted Offer Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. Completion and return of the Application Form by any person outside Hong Kong will constitute a warranty and representation by the relevant applicant(s) to the Company that all registration, legal and regulatory requirements of all relevant territories in connection with the acceptance of the Offer Shares have been duly complied with by such applicant(s). For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. If any Shareholders are in any doubt as to their position, they should consult their professional advisers. The Company reserves the right to refuse to accept any application for the Offer Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Offer Shares will be accepted from any person who is a Non-Qualifying Shareholder.

LETTER FROM THE BOARD

The Company will not allot and accept applications for any fractions of the Offer Shares. The Application Form is for use only by the person(s) name therein and is not transferable. No receipt will be issued in respect of any application monies received.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in manufacture and sale of fresh and dried noodles; investment in coal trading business; trading of natural resources and commodities; money lending and secured financing business and investments in securities.

The Group's total revenue for the six months ended 30 September 2015 amounted to approximately HK\$33.4 million, representing a decrease of approximately HK\$211.3 million or 86.4% as compared to approximately HK\$244.7 million for the corresponding period last year. The drop is due to the decline in the trading of natural resources and commodities following the expiration of certain master trading agreements for trading of crude palm oil with both suppliers and customers in July 2014. Despite the drop in its consolidated revenue during the period, the Group achieved an overall gross profit of approximately HK\$4.6 million during the six months ended 30 September 2015 (2014: approximately HK\$2.4 million) representing a 90% growth over the corresponding period in previous year. The growth was mainly attributable to the contribution from the money lending business which has commenced operation in late 2014. During the six months ended 30 September 2015, the Group has recorded a significant decrease in net loss which amounted to approximately HK\$14.5 million comparing to a net loss of approximately HK\$48.3 million for the corresponding period in 2014 representing a 70% decrease in net loss. The improvement in results was attributable to the increase in overall income, in particular, the contribution from securities investment and the reduction in overall expenses of the Group.

As at 30 September 2015, the Group's total assets amounted to approximately HK\$208.8 million. The current liabilities was approximately HK\$20.5 million. For the non-current liabilities, it is amounted to approximately HK\$29.1 million as at 30 September 2015. Representing 27.6% of total current assets, the bank and cash balances of the Group amounted to approximately HK\$41.6 million.

Net assets of the Group as at 30 September 2015 was approximately HK\$159.3 million compared to approximately HK\$100.8 million as at 31 March 2015 representing an increase of 58%. The increase was mainly attributable to the successful placements of an aggregate of 542,000,000 new ordinary Shares for cash during the first half-year contributing to an increase in net assets of the Group by approximately HK\$73.0 million. On the other hand, the results in the six months ended 30 September 2015 wipe out the net assets value by approximately HK\$14.4 million.

LETTER FROM THE BOARD

The Group's existing business of noodle manufacturing and sale has been operating in a relatively saturated market in the recent years. With a limited growth potential and the increasing overhead in the PRC, the performance of this business stream was less than satisfactory. In light of this, the Group has been striving to diversify into other businesses in order to seek for a long term growth. In the past two years, the Group's business has diversified into trading of natural resources and commodities. Unfortunately, as a consequence of the uncontrollable deterioration of market conditions, the performances of these new businesses were yet to reach the Group's original expectations. In September 2015, the Group entered into a conditional sale and purchase agreement with an independent third party for the sale of the entire share capital of Digital Rainbow Holdings Limited (the "**DR Disposal**") which, together with its subsidiaries (the "**Digital Rainbow Group**"), operates the Group's iron ore trading business. In considering the entering into of the conditional sale and purchase agreement of the DR Disposal, the Group takes into consideration of (i) the unsatisfactory operating results of the Digital Rainbow Group since acquisition by the Group; (ii) the uncertainty of the turnaround of the weak market condition; and (iii) the DR Disposal allows the Group to exit from subsidizing the non-performing business of the Digital Rainbow Group, the Directors consider that the DR Disposal allows the Company to dispose of its non-profitable business and better allocate its resources to the Group's other business segments and/or other investment opportunities with better prospect. Completion of the DR Disposal took place in October 2015.

Concurrently, the Group also planned to engage in the supercar distribution business in the PRC in order to grasp opportunity to benefit from the ever-rising demand of luxury goods in the PRC market. In Hong Kong, the Group has also tapped into the fine dining and entertainment business through the investment in the then associate, Joyful Ease Limited ("**Joyful Ease**") which is engaged in the operation of restaurants. A stylish restaurant under the brand "FOVEA", situated at the heart of popular night entertainment in Hong Kong – Lan Kwai Fong. As a result of the shareholding restructuring of Joyful Ease, Joyful Ease is now an investee company of the Group. The Group's money lending business is also contributing revenue to the Group. With its expanding loan portfolio, it is expected that this business segment will contribute positively to the Group as a whole.

In September 2015, the Group entered into a conditional sale and purchase agreement to acquire the entire issued share capital of MD (the "**MD Acquisition**"). MD is expertized in cut and sew storage cases for electronic accessories and electronic components' design, development, production and distribution. It also specializes in sales and distribution of trendy fashion and apparels in Hong Kong and Asia markets. MD has also entered into brand cooperation agreements with a number of celebrity brands from Taiwan which focus on trendy fashion items among the young generations. It is responsible for the design, manufacture, production, distribution and marketing of the fashion items of these brands. As MD has good connection with celebrities in Taiwan and Hong Kong, it can provide synergy between the celebrities and the brands whereby both can obtain wider exposure in media and different sales channels to increase recognition of the brand and the celebrities. The Board is optimistic on the business prospect of MD and considers that the MD Acquisition would further enhance the profitability of the Group in long-run.

LETTER FROM THE BOARD

Looking forward, the Group believes that its future is challenging but at the same time has ample potential to grow and the Directors will continue to utilize their business connections built in the past aiming to explore more lucrative business opportunities to maximize the return of its shareholders. At the Latest Practicable Date, the Group has been in the course of identifying certain such business opportunities. However, no concrete terms have been established nor any definitive agreements have been reached. The Company will update its shareholders and, where appropriate, publish announcements in accordance with the GEM Listing Rules should such business opportunities be realized.

GENERAL

As the proposed Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-month period immediately preceding the Announcement, and the Open Offer is fully underwritten by the Underwriters each of whom is not a director, chief executive or substantial shareholder of the Company (or an associate of any of them), pursuant to Rules 10.39 and 10.42 of the GEM Listing Rules, the Open Offer is not subject to the approval of the Shareholders in general meeting.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

By order of the Board
Wealth Glory Holdings Limited
Wong Ka Wah, Albert
Chairman

1. FINANCIAL INFORMATION

The financial information of the Group for each of the three financial years ended 31 March 2013, 2014, 2015 and the six months ended 30 September 2015 were disclosed in the annual reports of the Company for the years ended 2013 (pages 37 to 77), 2014 (pages 47 to 113), 2015 (pages 51 to 118) and interim report for the six months ended 30 September 2015 (pages 2 to 18). The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.wealthglory.com).

2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 October 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding unguaranteed and unsecured bonds with principal amount of approximately HK\$20 million, unguaranteed and secured loans from non-controlling shareholders of a subsidiary of the Company with principal amount of HK\$20 million which was secured by certain of the Group's loans receivable, unguaranteed and unsecured bank borrowings with carrying amount of approximately HK\$0.7 million and guaranteed and unsecured bank borrowings with carrying amount of approximately HK\$1.8 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal accounts payable in the ordinary course of business, the Group did not have any other loan capital issued and outstanding or agreed to be issued but unissued, loans, bank overdrafts, or other similar indebtedness, financial lease or hire purchase commitment, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, guarantees or other material contingent liabilities as at the close of business on 31 October 2015.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the presently available financial resources and the estimated net proceeds from the Open Offer, the Group has sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of this Prospectus in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

Save for the unaudited results of the Group for the six months ended 30 September 2015 published on 13 November 2015, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited consolidated accounts of the Group were made up.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the Directors in accordance with Rule 7.31 of the GEM Listing Rules to illustrate the effect of the Open Offer on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Open Offer had taken place on 30 September 2015.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2015, as extracted from the published interim report of the Company for the six months ended 30 September 2015, and is adjusted for the effect of the Open Offer as if the Open Offer had taken place on 30 September 2015.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2015 or at any future dates immediately after the completion of the Open Offer.

	Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2015 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Open Offer <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after the completion of the Open Offer as at 30 September 2015 <i>HK\$'000</i> <i>(Note 3)</i>
Based on 1,369,572,000 Offer Shares to be issued	141,614	91,532	233,146

HK\$ cents

Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2015 before the completion of the Open Offer (<i>Note 4</i>)	5.29
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company immediately after completion of the Open Offer (<i>Note 5</i>)	5.76

Notes:

- (1) The amount of approximately HK\$141,614,000 is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of HK\$159,614,000 as at 30 September 2015, which is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2015 included in the interim report of the Company issued on 13 November 2015, with adjustment to exclude the intangible assets of approximately HK\$18,000,000 as at 30 September 2015.
- (2) The estimated net proceeds from the Open Offer of approximately HK\$91,532,000 are based on 1,369,572,000 Offer Shares to be issued at the Subscription Price of HK\$0.07 per Offer Share and after deduction of the estimated related expenses, including among others, underwriting commission, financial advisory fee and other professional fees, which are directly attributable to the Open Offer, of approximately HK\$4,338,000.

The number of 1,369,572,000 fully underwritten Offer Shares to be issued is based on 2,679,144,000 Shares of the Company in issue as at 30 September 2015 and 60,000,000 new shares issued and allotted on 12 October 2015 pursuant to the acquisition agreement as announced on 23 September 2015 (the effect of the acquisition has not been taken into account in the above table), without taking into account of any Shares which may be issued pursuant to the Share Option Scheme or general mandate, or repurchased pursuant to the general mandate and as the basis of one Offer Share for every two existing share in issue on the Record Date.

- (3) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Open Offer represents the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2015 plus the estimated net proceeds from the Open Offer as set out in Note 2 above.
- (4) The calculation of the unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2015 before the completion of the Open Offer is based on the number of the HK\$141,614,000 as discussed in Note 1 above and the 2,679,144,000 Shares of the Company as at 30 September 2015.

- (5) Unaudited pro forma consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 30 September 2015 immediately after completion of 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 immediately after completion of the Open Offer of approximately HK\$233,146,000 as discussed in Note 3 above, divided by 4,048,716,000 Shares which represents
- (i) 2,679,144,000 Shares of the Company in issue as at 30 September 2015; and
 - (ii) 1,369,572,000 Offer Shares to be issued pursuant to the Open Offer.
- (6) No adjustment has been made to the unaudited pro forma adjusted combined net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2015.



**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the Directors of Wealth Glory Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wealth Glory Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 September 2015 and related notes as set out in part A of Appendix II to the prospectus issued by the Company dated 16 December 2015 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix II to the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the proposed open offer of 1,369,572,000 new shares to be issued by the Company at a subscription price of HK\$0.07 per offer share ("Open Offer") on the Group's net tangible assets as at 30 September 2015 as if the Open Offer had taken place at 30 September 2015. As part of this process, information about the Group's net tangible assets has been extracted by the Directors from the Group's condensed consolidated financial statements for the period ended 30 September 2015.

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 the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM 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").

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM 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 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 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 plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 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 an investment 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 September 2015 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' judgment, 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 of the Group 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 purpose of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
16 December 2015

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 prospectus 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 prospectus misleading.

2. SHARE CAPITAL

- (A) The authorised and issued share capital of the Company as at the Latest Practicable Date are as follows:

Authorised: *HK\$*

<u>10,000,000,000</u>	Shares at HK\$0.01 each	<u>100,000,000.00</u>
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Fully paid Shares in issue:

<u>2,739,144,000</u>	Shares in issue and fully paid as at the Latest Practicable Date	<u>27,391,440.00</u>
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- (B) The authorised and issued share capital of the Company and immediately following completion of the Open Offer are as follows (assuming that there is no change in shareholding structure of the Company from the Latest Practicable Date up to completion of the Open Offer):

Authorised: *HK\$*

<u>10,000,000,000</u>	ordinary shares at HK\$0.01 each	<u>100,000,000.00</u>
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Fully paid Shares/Offer Shares in issue or to be issued:

2,739,144,000	Shares in issue and fully paid as at the Latest Practicable Date	27,391,440.00
1,369,572,000	Offers Shares to be issued pursuant to the Open Offer	13,695,720.00
<u>4,108,716,000</u>	Shares in issue and fully paid immediately upon completion of the Open Offer	<u>41,087,160.00</u>

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

No capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date. All Shares in issue rank *pari passu* in all respects with each other including rights to dividends, voting and return of capital. There is no arrangement under which future dividends will be waived or agreed to be waived.

The issued Shares are listed and traded on GEM. None of the securities of the Company is listed, or dealt in, on any other stock exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests in the Company

As at Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were 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 are 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 to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Aggregate long positions in the Shares or underlying Shares

Name of Director	Number of Shares held	Number of Shares Options held	Total interests	Approximate percentage of interest in Shares
Mr. Wong Ka Wah, Albert	–	15,000,000	15,000,000	0.55%
Mr. Hong Sze Lung	–	15,000,000	15,000,000	0.55%
Mr. Lau Wan Pui, Joseph	–	3,000,000	3,000,000	0.11%
Mr. Law Chung Lam, Nelson	–	2,000,000	2,000,000	0.07%
Mr. Kwong Yuk Lap	–	4,000,000	4,000,000	0.15%
Mr. Chow Chi Fai	–	1,000,000	1,000,000	0.04%
Mr. Leung Ka Tin	–	1,000,000	1,000,000	0.04%

Save as disclosed above, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any other member of the Group:

Aggregate long positions in the Shares or underlying Shares

Name of Shareholder	Capacity of interests	Number of Shares in interest	Approximate percentage of interest in Shares
Conrich Investment Limited (<i>Note 1</i>)	Beneficial owner	175,208,000	6.40%
Ms. Lee Yau Lin, Jenny (<i>Note 2</i>)	Interest in controlled corporation/Beneficial owner	179,208,000	6.54%
Mr. Wu Ruibiao (<i>Note 3</i>)	Beneficial owner	328,000,000	6.66%

Notes:

- Conrich Investment Limited is an investment holding company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is wholly and beneficially owned by Ms. Lee Yau Lin, Jenny, a former Director of the Company. These interests in shares are duplicated in the interests held by Ms. Lee Yau Lin, Jenny.*
- Ms. Lee Yau Lin, Jenny is the beneficial owner of 100% of the issued share capital of Conrich Investment Limited. Ms. Lee Yau Lin, Jenny is deemed to be interested in, and duplicated the interests of, the 175,208,000 shares held by Conrich Investment Limited under Section 316(2) the SFO. The remaining interests in 4,000,000 shares of the Company are share options granted by the Company to Ms. Lee Yau Lin, Jenny on 11 July 2011.*

3. *Mr. Wu Ruibiao (“Mr. Wu”) is one of the vendors under the sale and purchase agreement dated 23 June 2015 entered into by the Company in respect of the proposed acquisition of 51% equity interest in Perfect Worth Investment Limited (the “Acquisition”), details of which are disclosed in the announcement of the Company dated 23 June 2015. The 328,000,000 Shares represents the consideration Shares to be allotted and issued to Mr. Wu (or its nominees) upon completion of the Acquisition (“Acquisition Completion”), and the percentage of which represents the approximate percentage of interest of the issued share capital of the Company as enlarged by completion of the Open Offer and the issue of all the consideration Shares immediately upon the Acquisition Completion.*

Save as disclosed in the preceding paragraph and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

4. DIRECTORS’ SERVICE CONTRACTS

Each of the executive Directors has entered into a service contract with the Company for a term of three years, which may be terminated by not less than three months’ prior notice in writing served by either party on the other. The non-executive Directors and the independent non-executive Directors have been appointed for a term of three years in accordance with their respective appointment letters, which may be terminated by not less than two months’ prior notice in writing served by either party on the other.

Save as disclosed in this section as at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

5. DIRECTORS’ INTERESTS IN ASSETS AND CONTRACTS OF THE COMPANY

As at the Latest Practicable Date, none of the Directors has or had any direct or indirect interest 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 member of the Group since 31 March 2015, being the date to which the latest published audited accounts of the Group were made up.

None of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group which was subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group.

6. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competes or may compete with the business of the Group nor does any of them has or may have any other conflicts of interest with the Group.

7. CORPORATE INFORMATION

Board of Directors

Executive Directors

Mr. Wong Ka Wah, Albert (*Chairman*)

Mr. Hong Sze Lung (*Chief executive officer*)

Mr. Kwong Yuk Lap

Non-executive Directors

Mr. Lau Wan Pui, Joseph

Mr. Law Chung Lam, Nelson

Independent non-executive Directors

Mr. Leung Ka Tin

Mr. Tam Chak Chi

Mr. Chow Chi Fai

Audit Committee

Mr. Chow Chi Fai (*Chairman*)

Mr. Tam Chak Chi

Mr. Leung Ka Tin

Remuneration Committee

Mr. Chow Chi Fai (*Chairman*)

Mr. Wong Ka Wah, Albert

Mr. Tam Chak Chi

Nomination Committee

Mr. Wong Ka Wah, Albert (*Chairman*)

Mr. Chow Chi Fai

Mr. Tam Chak Chi

Executive Committee

Mr. Wong Ka Wah, Albert (*Chairman*)

Mr. Hong Sze Lung

Mr. Kwong Yuk Lap

Registered office	Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and principle place of business in Hong Kong	17/F. No. 8 Wyndham Street Central Hong Kong
Company secretary	Mr. Lee Wai Ming
Authorised representatives	Mr. Wong Ka Wah, Albert 17/F., No. 8 Wyndham Street Central Hong Kong Mr. Lee Wai Ming 17/F., No. 8 Wyndham Street Central Hong Kong
Auditor	Deloitte Touche Tohmatsu Certified Public Accountants 35/F One Pacific Place 88 Queensway Hong Kong
Principal share registrar and transfer office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong branch share registrar and transfer office	Union Registrars Limited A18/F. Asia Orient Tower Town Place 33 Lockhart Road Wanchai Hong Kong

Principal bankers

Industrial and Commercial Bank of China (Asia) Limited
33/F, ICBC Tower, 3 Garden Road, Central, Hong Kong

DBS Bank (Hong Kong) Ltd.
11/F, The Center, 99 Queen's Road Central, Central,
Hong Kong

Bank of Communications Co., Ltd., Hong Kong Branch
25/F, New World Tower I, 18 Queen's Road Central,
Central, Hong Kong

Fubon Bank (Hong Kong) Limited
Fubon Bank Building, 38 Des Voeux Road Central,
Hong Kong

Nanyang Commercial Bank Limited
151 Des Voeux Road Central, Central, Hong Kong

Oversea-Chinese Banking Corporation Limited, Hong
Kong Branch
9th Floor, Nine Queen's Road Central, Hong Kong

Bank of China (Hong Kong) Limited
Bank of China Tower, 1 Garden Road, Central, Hong
Kong

8. PARTIES INVOLVED IN THE OPEN OFFER**The Company**

Wealth Glory Holdings Limited
17/F
No. 8 Wyndham Street
Central
Hong Kong

Underwriters

Koala Securities Limited
Room 803, 8/F
Hong Kong Chinese Bank Building
61 Des Voeux Road Central
Hong Kong

	Supreme China Securities Limited Room D-F, 17/F, Hang Seng Tsuen Wan Building 289 Sha Tsui Road Tsuen Wan Hong Kong
Financial adviser to the Company	Akron Corporate Finance Limited 17AB Trust Tower 68 Johnston Road Wanchai Hong Kong
Legal adviser to the Company	<i>As to Hong Kong Law</i> Michael Li & Co. 19/F, Prosperity Tower 39 Queen's Road Central Central Hong Kong
Reporting accountants	Deloitte Touche Tohmatsu Certified Public Accountants 35/F One Pacific Place 88 Queensway Hong Kong
Hong Kong branch share registrar and transfer office	Union Registrars Limited A18/F. Asia Orient Tower Town Place 33 Lockhart Road Wanchai Hong Kong

9. AUDIT COMMITTEE

The Company established the audit committee of the Company on 26 September 2010 with written terms of reference in compliance with Rules 5.28 to 5.29 of the GEM Listing Rules and paragraph C.3.3 of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 15 of the GEM Listing Rules. The primary duties of the audit committee of the Company are mainly to make recommendation to the Board on the appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company.

As at the Latest Practicable Date, the audit committee of the Company has three members comprising Mr. Chow Chi Fai, Mr. Tam Chak Chi and Mr. Leung Ka Tin, of whom Mr. Chow Chi Fai, who has the appropriate professional qualification, has been appointed as the chairman of the audit committee of the Company.

10. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or claim of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against any member of the Group.

11. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the Latest Practicable Date:

- (i) the subscription agreement dated 18 January 2014 entered into between the Company and Mr. Guo Wenqing (郭文清) in relation to the subscription of 58,824,000 Shares at the price of HK\$0.170 per Share;
- (ii) the subscription agreement dated 20 January 2014 entered into between the Company and Mr. Li Junfeng (李俊峰) in relation to the subscription of 52,624,000 Shares at the price of HK\$0.190 per Share;
- (iii) the subscription agreement dated 28 February 2014 entered into between the Company and Greatdeal Trading Limited in relation to the subscription of 45,448,000 Shares at the price of HK\$0.220 per Share and 38,456,000 unlisted warrants for subscription of Shares at an initial exercise price of HK\$0.260 per Share;

- (iv) the sale and purchase agreement dated 1 April 2014, as amended by a supplemental agreement dated 15 July 2014, entered into between Nice Glory (China) Limited, a wholly-owned subsidiary of the Company, 天津首創科技發展有限公司 (translated as Tianjin Shouchuang Technology Development Limited[#]) and Ms.季潔 (Jijie) in relation to the acquisition of 廣州首創投資諮詢有限公司 (translated as Guangzhou Shouchuang Investment Advisory Limited[#] and formerly known as 廣州首創投資有限公司) for a consideration of RMB5,000,000 and capital commitment to 中航南方煤炭交易中心有限公司 (translated as AVIC Southern Coal Trading Centre Limited[#]) of RMB44,000,000 upon completion of the acquisition;
- (v) the arranger agreement dated 1 April 2014, as amended by a supplemental agreement dated 23 April 2014, entered into between Nice Glory (China) Limited, a wholly-owned subsidiary of the Company, and Divine Network Limited in relation to provision of certain services by Divine Network Limited to Nice Glory (China) Limited in connection with the acquisition of 廣州首創投資諮詢有限公司 (translated as Guangzhou Shouchuang Investment Advisory Limited[#] and formerly known as 廣州首創投資有限公司) for an arranger fee of HK\$9,600,000;
- (vi) the conditional placing agreement dated 22 August 2014 entered into between the Company and Kingsway Financial Services Group Limited in relation to the placing of up to an aggregate of 237,000,000 new Shares at the price of HK\$0.270 per Share;
- (vii) the termination agreement dated 29 August 2014 entered into between Nice Glory (China) Limited, a directly wholly-owned subsidiary of Eminent Along Limited, an indirectly wholly-owned subsidiary of the Company, Eminent Along Limited, 天津首創科技發展有限公司 (translated as Tianjin Shouchuang Technology Development Limited[#]) and Ms. 季潔 (Jijie) in relation to the acquisition of 100% equity interest in the 廣州首創投資諮詢有限公司 (translated as Guangzhou Shouchuang Investment Advisory Limited[#] and formerly known as 廣州首創投資有限公司);
- (viii) the conditional placing agreement dated 18 September 2014 entered into between the Company and Kingsway Financial Services Group Limited in relation to the placing of up to an aggregate of 317,000,000 new Shares at the price of HK\$0.297 per Share;
- (ix) the distribution agreement dated 23 September 2014, as supplemented by a supplemental agreement dated 17 October 2014, entered into between Bright Billion Holdings Limited, a wholly-owned subsidiary of the Company, and Sino Partner Global Limited in relation to the appointment of the Bright Billion Holdings Limited as an authorized distributor to conduct the distribution, marketing and service of certain vehicles in the contracted territories by Sino Partner Global Limited for an aggregate one-off license fees of HK\$20,000,000;

- (x) the conditional placing agreement dated 24 November 2014 entered into between the Company and Kingsway Financial Services Group Limited in relation to the placing of up to an aggregate of 220,000,000 new Shares at the price of HK\$0.300 per Share;
- (xi) the conditional placing agreement dated 13 April 2015 entered into between the Company and CNI Securities Group Limited in relation to the placing of up to an aggregate of 162,000,000 new Shares at the price of HK\$0.210 per Share;
- (xii) the underwriting agreement dated 22 May 2015, as amended by a supplemental agreement date 12 June 2015, entered into between the Company and Enhanced Securities Limited (being the underwriter) in relation to the open offer of not less than 1,149,572,000 offer Shares and not more than 1,383,106,000 offer Shares at the subscription price of HK\$0.175 per offer Share, on the basis of one offer Share for every two existing Shares (the “**May 2015 Proposed Open Offer**”);
- (xiii) the Purchase Agreement;
- (xiv) the termination agreement dated 17 July 2015 entered into between the Company and Enhanced Securities Limited (being the underwriter) in relation to the termination of the May 2015 Proposed Open Offer;
- (xv) the underwriting agreement dated 17 July 2015 entered into between the Company and Orient Securities Limited (being the underwriter) in relation to the open offer of not less than 1,149,572,000 offer shares and not more than 1,383,106,000 offer shares at the subscription price of HK\$0.12 per offer share, on the basis of one offer Share for every two existing Shares (the “**July 2015 Proposed Open Offer**”);
- (xvi) the termination agreement dated 2 September 2015 entered into between the Company and Orient Securities Limited (being the underwriter) in relation to the termination of the July 2015 Proposed Open Offer;
- (xvii) the conditional placing agreement dated 9 September 2015 and entered into the Company and Supreme China Securities Limited in relation to the placing of up to 380,000,000 new Shares at the price of HK\$0.107 per Share;
- (xviii) the conditional sale and purchase agreement dated 23 September 2015 and entered into between Silver Summit Investments Limited, a wholly-owned subsidiary of the Company and as vendor, and Silver Bright Resources Limited, as purchaser, in respect of the disposal of the entire issued shares capital of Digital Rainbow Holdings Limited and all obligations, liabilities and debts owing or incurred by the Digital Rainbow Holdings Limited and its subsidiaries to the Group at an aggregate consideration of HK\$32,000,000;

- (xiv) the conditional sale and purchase agreement dated 23 September 2015 entered into amongst Silver Summit Investments Limited, a wholly-owned subsidiary of the Company and as purchaser, and Mr. Lau Kan Sung Saville (柳勤嵩) and Mr. Lui Ka Yin (呂家賢), as vendors, in respect of the acquisition of entire issued share capital of MD at a total consideration of HK\$47,000,000; and
- (xv) the Underwriting Agreement.

12. PARTICULAR OF DIRECTORS

Executive Director

Mr. Wong Ka Wah, Albert (“Mr. Wong”), aged 41, was appointed as an executive Director in August 2012 and was appointed as chief executive officer (the “**Chief Executive Officer**”) of the Company, a member of the executive committee (the “**Executive Committee**”), the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company on 11 September 2013. He resigned as Chief Executive Officer and was appointed as chairman (the “**Chairman**”) of the Company and chairman of the Executive Committee on 18 October 2013 and appointed as chairman of Nomination Committee on 18 November 2013. Mr. Wong has been appointed as an authorised representative and the compliance officer of the Company since September 2013. He is also a director of various subsidiaries of the Company.

Mr. Wong graduated from the Australian National University with a bachelor degree of commerce and is a specialist in corporate strategy and business engineering with extensive experience in the industries of fund management, asset management, private equity, and wealth management. Prior to joining the Company, Mr. Wong held senior positions in various institutions as well as collective investment vehicles. Mr. Wong is mainly responsible for formulating the Group’s business strategies, supervising and managing the Group’s business development and operation in its mineral trading business and investment in listed securities.

Mr. Hong Sze Lung (“Mr. Hong”), aged 44, was appointed as the Chief Executive Officer and an executive Director and a member of the Executive Committee on 18 October 2013. Mr. Hong holds directorship in a number of subsidiaries of the Company.

Mr. Hong has approximately 20 years working experience and extensive knowledge in the field of corporate finance and recovery, investments as well as corporate investor relations in Hong Kong and Mainland China. Mr. Hong had served at senior management level respectively at PricewaterhouseCoopers, a private equity investment company as well as two companies the shares of which listed on the Main Board of the Stock Exchange, being Soundwill Holdings Limited (stock code: 878) and Silver Base Group Holdings Limited (stock code: 886). Currently, He was an independent non-executive director of Madex International (Holdings) Limited (stock code: 0231), the shares of which are listed on the Main Board of the Stock Exchange, during 15 May 2014 to 17 November 2015. He is also a certified public accountant of the Hong Kong Institute of Certified Public Accountants and fellow member of the Association of Chartered Certified Accountants and a chartered financial analyst of CFA Institute. In 1995, Mr. Hong obtained a Bachelor of Arts Honours Degree in Accountancy from the Hong Kong Polytechnic University.

Mr. Kwong Yuk Lap (“**Mr. Kwong**”), aged 39, was appointed as a non-executive Director in December 2013 and re-designated as an executive Director on 1 November 2015. He is graduated from Charles Sturt University in the Australia with a master of science degree in information technology. Mr. Kwong also obtained a bachelor of science degree in electronics from The Open University of Hong Kong. Mr. Kwong has extensive experience in project engineering and project coordination in the metal and mining industry. He also provides technical advices on IT system.

Non-executive Director

Mr. Lau Wan Pui, Joseph (“**Mr. Lau**”), aged 64, was appointed as a non-executive Director in September 2013. He has extensive experience in finance and planning, marketing and international business. He is currently chairman and co-founder of Rockhound Limited, a mineral professional firm. Previously, he had successfully developed and implemented new business expansion strategies for a number of listed public companies in Hong Kong under the position as a senior executive. He was an executive director and chief executive officer of WLS Holdings Limited (stock code: 8021), the shares of which are listed on the GEM of the Stock Exchange for the period from 2002 to 2004 and was executive director of Tse Sui Luen Jewellery (International) Limited (stock code: 0417), the shares of which are listed on the Main Board of the Stock Exchange for the period from 1997 to 1999 and Build King Holdings Limited (previously known as Seapower International Holdings Limited) (stock code: 0240), the shares of which are listed on the Main Board of the Stock Exchange for the period from 1995 to 1996 and was an independent non-executive director of Larry Jewelry International Company Limited (stock code: 8351), the shares of which are listed on the GEM of the Stock Exchange during 10 November 2012 to 1 June 2013, and acted as its non-executive director during 1 June 2013 to 3 December 2013. He has been a director of Dynasty Gaming Inc., a company listed on the Toronto Venture Exchange, since November 2006.

Mr. Lau obtained his Bachelor of Science degree in chemistry from Concordia University and his master of business administration degree from the University of Ottawa (Canada). He is currently a Dean's Advisory Board Member of Telfer School of Management of the University of Ottawa and he was Advisory Board Member of the EMBA program under the Telfer School of Management of the University of Ottawa for the period from 1997 to 2003. He is also a member of the Chemical Institute of Canada and a member of the Canadian Institute of Mining Metallurgy and Petroleum.

Mr. Law Chung Lam, Nelson (“**Mr. Law**”), aged 53, was appointed as a non-executive Director in September 2013. He has over 10 years extensive experience in corporate banking sector. Mr. Law has served a senior management position in Chemical Bank (now Chase Morgan) during the 1980s. He was also working for by a subsidiary of the China State Construction Engineering Corp for 5 years at Philippines on project finance. Specialized in organization and method, he has devoted in corporate re-structuring for several industries and that included garment production, IT, construction, agricultural and minerals trading. Mr. Law is currently a director, chairman and chief financial officer of Sealand Capital Galaxy Limited (TIDM Code: SCGL), a company listed on London Stock Exchange. Mr. Law holds several directorships in certain subsidiaries of the Company.

Independent non-executive Director

Mr. Leung Ka Tin (“**Mr. Leung**”), aged 61, was appointed as an independent non-executive Director and a member of the Audit Committee in July 2014. Mr. Leung holds a diploma in financial management (a joint program of the Hong Kong Management Association and the Hong Kong Polytechnic University). Mr. Leung has 25 years of management experience in banking, treasury operation, project finance, logistics and human resource management. He was a senior management team member of various financial institutions including First Pacific Group, Nedcor Asia, BfG Germany and Delta Asia Financial Group as well as companies in the logistics and telecommunication sectors including EAS Da Tong Group and Trident Telecom Ventures Limited. Mr. Leung also has extensive experience in the corporate finance field. He served as project head for companies owning gold mines and diamond mines both in the PRC and overseas and is currently the project director of Galaxy Asset Management Limited, a renowned alternative investment company in Hong Kong. Currently, Mr. Leung is an executive director of China Kingstone Mining Holdings Limited (stock code: 1380) and an independent non-executive director of Chanco International Group Limited (Stock code: 264), the shares of both of which are listed on the Main Board of the Stock Exchange.

Mr. Tam Chak Chi, aged 38, was appointed as an independent non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2013. He holds a bachelor's degree of commerce from the University of Toronto. He has more than 10 years of experience in providing accounting, auditing and financial services and has served various senior positions at various private and listed companies (the shares of which have been listed on the Main Board and the GEM of the Stock Exchange as well as NASDAQ). He is a fellow member of the Hong Kong Institute of Certified Public Accountants and a member of the American Institute of Certified Public Accountants. He is currently an independent non-executive director of Newtree Group Holdings Limited (Stock code: 1323) which is listed on the main board of the Stock Exchange. He was previously an executive director of Seamless Green China (Holdings) Limited (stock code: 8150) and an independent non-executive director of Sky Forever Supply Chain Management Group Limited (formerly known as Rising Power Group Holdings Limited and China Neng Xiao Technology (Group) Limited) (stock code: 8047), both companies' share are listed on the GEM of the Stock Exchange. Further, he is currently the chief financial officer and company secretary of a company listed on GEM of the Stock Exchange.

Mr. Chow Chi Fai ("**Mr. Chow**"), aged 44, was appointed as an independent non-executive Director and a member of the Audit Committee, the Nomination Committee and the Remuneration Committee in September 2013. He was re-designated as the chairman of each of the Audit Committee and the Remuneration Committee on 18 November 2013. Mr. Chow is a member of the Hong Kong Institute of Certified Public Accountants. He holds a bachelor's degree in accountancy from University of South Australia. Mr. Chow is currently the company secretary and financial controller in Sino Resources Group Limited (stock code: 0223), the shares of which are listed on the Main Board of the Stock Exchange.

Senior management

Mr. Lee Wai Ming ("**Mr. Lee**"), aged 47, is the company secretary and financial controller of the Company and is responsible for the Group's financial planning and management, company secretarial and corporate governance matters. He joined the Group in October 2013. He is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He has over 20 years of experience in auditing and accounting field. Prior to joining the Group, Mr. Lee had served various senior positions at various private and listed companies (the shares of which have been listed on the GEM of the Stock Exchange). He had also served as a professional accountant in the audit department of an international audit firm for over 10 years.

13. MISCELLANEOUS

- (i) The company secretary of the Company is Mr. Lee Wai Ming. Mr. Lee is a fellow member of the Association of Chartered Certified Accountants and a certified public accountant of the Hong Kong Institute of Certified Public Accountants.
- (ii) The business address of all Directors is 17/F., No. 8 Wyndham Street, Central, Hong Kong.
- (iii) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The head office and principal place of business in Hong Kong is located at 17/F., No. 8 Wyndham Street, Central, Hong Kong. The principal share registrar and transfer office of the Company is at Royal Bank of Canada Trust Company (Cayman) Limited, 4th Floor, Royal Bank House, 24 Shedden Road, George Town, Grand Cayman KY1-1110, Cayman Islands.
- (iv) The Hong Kong branch share registrar and transfer office of the Company are Union Registrars Limited at A18/F., Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong.
- (v) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (vi) As at the Latest Practicable Date, the Company does not have any Shareholder holding more than 10% of the issued share capital of the Company.
- (vii) The English text of this prospectus shall prevail over the Chinese text.

14. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

Deloitte Touche Tohmatsu has given and not withdrawn its written consent to the issue of this prospectus with the inclusion of its report and references to its name in the form and context in which it appear.

Deloitte Touche Tohmatsu does not have any shareholding in any company in the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any company in the Group.

Deloitte Touche Tohmatsu does not have or had any direct or indirect interest 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 31 March 2015, being the date to which the latest published audited accounts of the Group were made up.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of this prospectus, together with a copy of the Application Form and the written consent referred to in the paragraphs headed “Expert and Consent” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

16. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

17. EXPENSES

The expenses in connection with the Open Offer, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges and other related expenses, are estimated to amount to approximately HK\$4.4 million and are payable by the Company.

18. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company at 17/F., No. 8 Wyndham Street, Central, Hong Kong during normal business hours on any weekday other than public holidays from the date of this prospectus, up to and including the Latest Time for Acceptance:

- (i) the memorandum and articles of association of the Company;
- (ii) the material contracts referred to in the paragraph headed “Material Contracts” in this appendix;
- (iii) the annual reports of the Company for each of the two financial years ended 31 March 2014 and 2015;
- (iv) the interim report of the Company for the six month period ended 30 September 2015;
- (v) the independent reporting accountants’ assurance report on the compilation of the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (vi) the service contracts as referred to in the paragraph headed “Directors’ Service Contracts” in this appendix;
- (vii) the written consent of the expert referred to in the section headed “Expert and Consent” in this appendix; and
- (viii) the Prospectus Documents.