THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in Wang On Group Limited (宏安集團有限公司)*, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

WANG ON GROUP LIMITED
(宏安集團有限公司)*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF A TARGET GROUP HOLDING AN INVESTMENT PROPERTY IN ADMIRALTY

* *For identification purpose only*

13 February 2017

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

"Acquisition"	the acquisition of the Target Group by the Purchaser from the Vendor pursuant to the Agreement
"Agreement"	the sale and purchase agreement dated 7 November 2016 entered into between the Purchaser, the Vendor and Mr. Wong Fung Hing (as the guarantor) in relation to the Acquisition
"associate(s)"	has the meaning as ascribed thereto under the Listing Rules
"Board"	the board of the Directors
"Bye-laws"	the bye-laws of the Company
"close associate(s)"	has the meaning as ascribed thereto under the Listing Rules
"Company"	Wang On Group Limited (宏安集團有限公司)*, an exempted company incorporated in Bermuda with limited liability and the Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1222)
"Completion"	completion of the Acquisition under the Agreement
"connected person(s)"	has the meaning as ascribed thereto under the Listing Rules
"Consideration"	the consideration for the Acquisition, being HK$512,225,000
"Director(s)"	the director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Acquisition
"Group"	collectively the WOG Group, the WOP Group and the WYT Group
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong

* *For identification purpose only*

''Hong Kong''	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	8 February 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
''Listing Rules''	the Rules Governing the Listing of Securities on the Stock Exchange
''PRC''	the People's Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Property"	being ALL THOSE 1,742 equal undivided 74,554th parts or shares of and in the Land and the Building TOGETHER with the sole and exclusive right and privilege to hold, use, occupy and enjoy ALL THAT OFFICE SPACE on the THIRTIETH FLOOR of "United Centre (統一中心)", No. 95 Queensway, Hong Kong with a saleable floor area of approximately 17,754 sq.ft.
"Purchaser" or "Delight Keen"	Delight Keen Limited, an investment holding company incorporated in the British Virgin Islands with limited liability and an indirectly wholly-owned subsidiary of WOP as at the Latest Practicable Date, being the purchaser under the Agreement
"Sale Share"	one issued ordinary share of US$1.00 of the Target, representing the entire issued share capital of the Target beneficially held by the Vendor
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder Loan"	the loan owing by the Target to the Vendor at the date of Completion, being an interest-free loan and repayable on demand and which, subject to and on the terms and conditions of the Agreement, shall be assigned by the Vendor to the Purchaser on Completion
"Shareholder(s)"	the holder(s) of the Share(s)

“Share(s)”	the ordinary share(s) of HK$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning as ascribed thereto under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Target”	Fession Group Limited (暢發集團有限公司), a company incorporated in the British Virgin Islands with limited liability and was wholly owned by the Vendor as at the Latest Practicable Date
“Target Group”	the Target and its subsidiary
“Vendor” or “Thing On”	Thing On Group Limited, an investment holding company incorporated in the British Virgin Islands, being the vendor under the Agreement
“WOG Group”	the Company and its subsidiaries, for the purpose of this circular, excludes the WOP Group and the WYT Group
“WOP”	Wang On Properties Limited 宏安地產有限公司, an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1243), a listed 75%-owned subsidiary of the Company
“WOP Group”	WOP and its subsidiaries
‘‘WYT’’	Wai Yuen Tong Medicine Holdings Limited (位元堂藥業控股有限公司*), an exempted company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 897), a listed 51.3%-owned subsidiary of the Company
“WYT Group”	WYT and its subsidiaries
“sq.ft.”	square feet
‘‘%’’	per cent.

* *For identification purpose only*

WANG ON GROUP LIMITED
（宏安集團有限公司）*

(Incorporated in Bermuda with limited liability)
(Stock Code: 1222)

Executive Directors:
Mr. Tang Ching Ho, *SBS, JP (Chairman)*
Ms. Yau Yuk Yin *(Deputy Chairman)*
Mr. Chan Chun Hong, Thomas
(Managing Director)

Independent non-executive Directors:
Dr. Lee Peng Fei, Allen, *CBE, BS, FHKIE, JP*
Mr. Wong Chun, Justein, *BBS, MBE, JP*
Mr. Siu Yim Kwan, Sidney, *S.B.St.J*
Mr. Siu Kam Chau

Registered office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head office and principal place of business in Hong Kong:
Suite 3202, 32/F., Skyline Tower
39 Wang Kwong Road
Kowloon Bay
Kowloon
Hong Kong

13 February 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF A TARGET GROUP HOLDING AN INVESTMENT PROPERTY IN ADMIRALTY

INTRODUCTION

Reference is made to the announcements dated 7 November 2016 and 25 January 2017 jointly issued by the Company and WOP in relation to the Acquisition. The purpose of this circular is to provide you with, among others, the details of the major transaction relating to the Acquisition as required under the Listing Rules.

* *For identification purpose only*

AGREEMENT

Date

7 November 2016

Parties

(i) Delight Keen, an indirectly wholly-owned subsidiary of WOP (a listed 75%-owned subsidiary of the Company) and is principally engaged in investment holding, as the purchaser;

(ii) Thing On, a company principally engaged in investment holding as the Vendor; and

(iii) Mr. Wong Fung Hing, a director of the Target Group, as the guarantor.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) and Mr. Wong Fung Hing is a third party independent of and not connected with the Company and its connected persons and there was no previous transaction entered into between the Group, the Vendor and Mr. Wong Fung Hing prior to the date of the Agreement.

Assets to be acquired

Pursuant to the Agreement, the Purchaser has agreed to acquire and the Vendor has agreed to sell the Sale Share (representing the entire issued share capital of the Target as at the Latest Practicable Date) and assign the benefit of the Shareholder Loan.

Consideration and payment

The Consideration payable by the Purchaser to the Vendor for the purchase of the Sale Share and the Shareholder Loan shall be HK$512,225,000, of which the consideration for the Shareholder Loan shall be a sum equal to the principal amount of the Shareholder Loan of HK$171,509,000 as at 30 September 2016 and the balance of HK$340,716,000 shall be the consideration for the Sale Share. The Consideration shall be payable by the Purchaser to the Vendor in the following manner:

(a) an initial deposit in the amount of HK$51,222,500 had been paid to the Vendor upon execution of the Agreement; and

(b) a sum of HK$461,002,500 (being the balance of the Consideration) had been paid by the Purchaser to the Vendor on Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to (i) the prevailing market price of similar properties at similar location and the prevailing rental yield as compared to the Property held by the Target Group; and (ii) the valuation as set out in Appendix IV to this circular of

HK$513 million. Despite that the Consideration is higher than the audited net asset value of the Target Group as at 30 September 2016, the Board considers that the terms of the Agreement (including the Consideration) are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company (including WOP) and the Shareholders as a whole, as the Board is confident and positive in the capital appreciation and rental yield of the Property (being a commercial property) on the basis that (i) the Property is a Grade-A office located in Admiralty; (ii) the supply level is low and the availability of a whole-floor office unit in the prime location is limited; and (iii) the cooling measures system imposed on the residential properties (but not for commercial properties). The Consideration was financed by the WOP Group's banking facilities and/or internal resources.

Completion

Completion took place on 25 January 2017.

INFORMATION ON THE TARGET GROUP

The Target is a company incorporated in the British Virgin Islands and is principally engaged in investment holding. As at the Latest Practicable Date, the Vendor was directly interested in the entire issued share capital of the Target.

The Target has a sole subsidiary (i.e. Stadium Holdings Ltd.) incorporated in Hong Kong which is principally holding the Property – being the premise located at 30th Floor of United Centre, No. 95 Queensway, Hong Kong. The Property is a commercial property with a saleable floor area of approximately 17,754 sq.ft. The Property is currently leased to an independent third party not connected with each of the Company and its connected persons for commercial purpose at a monthly rental of HK$900,000 (inclusive of Government rent, but exclusive of Government rates, air-conditioning and management fees) with a term of three years ending on 30 March 2017.

Set out below is the audited financial information of the Target Group for the two financial years ended 31 December 2015 extracted from the Accountants' Report of the Target Group which are prepared under the generally accepted accounting principles in Hong Kong:

	For the year ended 31 December	
	2015	**2014**
	HK$ million (audited)	*HK$ million* (audited)
Revenue	12.2	11.4
Net profit before taxation	25.8	63.1
Net profit after taxation	21.6	52.7

The audited net asset value of the Target Group as at 30 September 2016 was approximately HK$272.5 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in management and sub-licensing of Chinese wet markets and provision of finance in Hong Kong and the PRC and property investment and property development in Hong Kong through its non wholly-owned listed subsidiary, WOP, as well as in pharmaceutical business through its non wholly-owned listed subsidiary, WYT. The WOP Group is principally engaged in the businesses of developing residential and commercial properties for sale and investing in commercial and industrial properties for capital appreciation. The Purchaser is an indirectly wholly-owned subsidiary of WOP and a company incorporated in the British Virgin Islands with limited liability which is principally engaged in the business of investment holding.

The Directors believe in the long term prospect of commercial properties in Hong Kong and hence consider that the Acquisition will strengthen the WOP Group's investment property portfolio and recurrent income base.

The Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Acquisition is in the interests of the Company (including WOP) and the Shareholders as a whole.

GENERAL

The Acquisition constitutes a major transaction for the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under the Listing Rules, as one of the applicable percentage ratios as defined in Rule 14.07 of the Listing Rules in respect of the Acquisition exceeds 25% but less than 100%.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Agreement and the Acquisition, thus no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Agreement and the Acquisition. The Company has obtained a written shareholders' approval from Mr. Tang Ching Ho and his associates, the controlling shareholder group holding approximately 51.76% of the total issued Shares as at the Latest Practicable Date, in lieu of holding a special general meeting to approve the Agreement and the Acquisition in accordance with Rule 14.44 of the Listing Rules.

FINANCIAL EFFECT ON THE GROUP

According to the unaudited pro forma consolidated balance sheet of the Enlarged Group as set out in Appendix III to this circular, the estimated effect on the assets and liabilities of the Group upon completion of the Acquisition is that (i) cash and bank balances will be decreased by approximately HK$512.3 million; (ii) total assets will be increased by approximately HK$1.0 million; and (iii) investment properties will be increased by approximately HK$513.0 million.

The Completion took place on 25 January 2017 and the Acquisition will contribute rental income of approximately HK$2.0 million to the earnings of the Group for the year ending 31 March 2017.

RECOMMENDATION

Although no general meeting will be convened for approving the Acquisition, the Directors (including the independent non-executive Directors) believe that the Acquisition and Agreement are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole. Accordingly, if the general meeting were convened for approving the Acquisition, the Directors would have recommended the Shareholders to vote in favour of the Acquisition.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
WANG ON GROUP LIMITED
(宏安集團有限公司)*
Chan Chun Hong, Thomas
Managing Director

* *For identification purpose only*

1. FINANCIAL INFORMATION

Financial information of the Group for each of the three years ended 31 March 2014, 2015 and 2016 and the six months ended 30 September 2016 are disclosed in the annual reports of the Company for the years ended 31 March 2014 (pages 41 to 142), 2015 (pages 50 to 150) and 2016 (pages 49 to 153) and the interim report of the Company for the six months ended 30 September 2016 (pages 24 to 54), respectively, which are published on both the websites of HKExnews (www.hkexnews.hk) and the Company (www.wangon.com). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2014, 2015 and 2016.

2. STATEMENT OF INDEBTEDNESS

As at the close of business of 31 December 2016, being the latest practicable date for the purpose of ascertaining information contained in this indebtedness statement set out in this circular, the Enlarged Group had outstanding bank and other loans of approximately HK$3,797.7 million, of which bank loans with an aggregate amount of approximately HK$2,975.7 million were secured by the Enlarged Group's land and buildings, investment properties and certain rental income generated therefrom, properties under development, share charges in respect of the entire interests of five subsidiaries of the Enlarged Group, which are engaged in property development, as well as a cash deposit. The carrying values of the Enlarged Group's land and buildings, investment properties, properties under development and a cash deposit as at 31 December 2016, which were pledged to secure the Enlarged Group's bank loans, amounted to approximately HK$543.0 million, HK$1,028.1 million, HK$3,217.8 million and HK$20.0 million, respectively. In addition, the Enlarged Group's unsecured bank loans with an aggregate amount of approximately HK$412.7 million were guaranteed by corporate guarantees provided by group companies as at 31 December 2016. The Enlarged Group's secured bank loans bear contractual interest rate ranging from Prime Rate minus 2.50% to 2.75% or HIBOR plus 1.20% to 2.35%, whilst the Enlarged Group's unsecured bank loans bear contractual interest rate ranging from HIBOR plus 1.43% to 2.00%.

Save as otherwise disclosed above, and apart from intra-group liabilities and normal trade payables, the Enlarged Group did not have, at the close of business on 31 December 2016, any other debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptance (other than normal trade bills) or acceptance credits or hire purchase commitments, any other mortgages and charges or any guarantees or material contingent liabilities.

3. WORKING CAPITAL STATEMENT

Taking into account the financial resources available to the Enlarged Group, including internally generated funds and available banking facilities of the Enlarged Group, the Directors, after due and careful enquiry, are of the opinion that the Enlarged Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of publication of this circular, in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2016, being the date on which the latest published audited consolidated financial statements of the Group were made up, save as disclosed in the profit alert announcement and the interim report of the Company dated 12 October 2016 and 23 November 2016 that the profit attributable to owners of the Company for the six months ended 30 September 2016 increased substantially as compared to the corresponding period in 2015. Such increase is primarily attributable to, among other things, the gain on bargain purchase of additional interest in WYT, despite there has been a decrease in gross profit contributed from property development projects as there were more properties for sale in the same period in 2015, increase in administrative expenses and decrease in fair value of financial assets at fair value through profit or loss.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Recently, the Hong Kong Government has raised the ad valorem stamp duty again for property transaction, the second time in three years to curb soaring property prices. From 5 November 2016 onwards, stamp duty on residential property transactions will be increased to a flat rate of 15%, except for transaction of Hong Kong permanent resident who does not own any other residential property at time of acquisition. In fact, Hong Kong's property prices has gradually picked up again the upward trend early this year, especially that of the smaller sized residential units. Various newly launched residential projects had received overwhelming responses and the offered prices were escalating. This was also evidenced in the presales of the Group's "The Met. Blossom" and "The Met. Bliss". It shows that demand, especially from first-time buyers, for properties remains very strong.

While the key issue of Hong Kong property market remains to be sufficiency of land supply, the Hong Kong Government has committed to increase supply of land in a sustainable manner. As more and more projects will be completed and launched soon, supply of residential properties should gain full momentum in the coming years. These should generate a stabilising effect in the property market and moderate the impact of further price hikes. On the other hand, coupled with the Government's long-term strategic plan to develop new living and business districts in Hong Kong in an attempt to build up a greater metropolitan area, the Group expects population of Hong Kong will increase further and this should generate further inelastic demand for residential properties. The

Group therefore is keeping an optimistic view about the property market. Given that in recent years, there has been more and more property developers joining the arena for tender of Government land, it has increased competition among developers to acquire development land reserve, the Group will devote further resources and effort in the tender and search of land for development, and will also look for collaboration opportunities. The Group will also strive to maintain its quality and efficiency and invest further resources in brand building for its residential and commercial lines of projects. Further, the Group will continue to look for potential investment properties for recurring income and capital appreciation. The Group is confident about WOP's prospects in the near future.

Taking into account WYT Group's business track record and financial position, as well as the continued trend of awareness and concern about personal health, the Group is optimistic about the future growth and development of WYT Group. The solid foundation, recognised brand value of WYT Group as well as the addition of new production facilities, should provide the support for further expansion. The Group considers and believes taking up of a controlling stake in WYT is an opportunity to participate in additional future returns of WYT Group.

Apart from property related and pharmaceutical and health care businesses, the operation of Chinese wet market and provision of finance will continue to serve as reliable recurring income sources of the Group. In order to sustain further growth, the Group is actively exploring various forms of strategic business opportunities, and will develop or invest in new businesses whenever it generates attractive return to the Group and the Shareholders.

(1) ACCOUNTANT'S REPORT ON THE TARGET GROUP

The following is the text of the accountant's report on the Target Group prepared for the sole purpose of incorporation in this circular, received from the independent reporting accountants, Ernst & Young, Certified Public Accountants, Hong Kong.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

13 February 2017

The Directors
Wang On Group Limited

Dear Sirs,

We set out below our report on the financial information of Fession Group Limited (the "**Target Company**") and its subsidiary (hereinafter collectively referred to as the "**Target Group**") comprising the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the three years ended 31 December 2013, 2014 and 2015, and the nine months ended 30 September 2016 (the "**Relevant Periods**"), and the consolidated statements of financial position of the Target Group and the statements of financial position of the Target Company as at 31 December 2013, 2014 and 2015, and 30 September 2016, together with the notes thereto (the "**Financial Information**"), and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Target Group for the nine months ended 30 September 2015 (the "**Interim Comparative Information**"), prepared on the bases of preparation and presentation set out in notes 2 and 3.1, respectively, of Section II below, for inclusion in the circular of Wang On Group Limited (the "**Company**") dated 13 February 2017 (the "**Circular**") in connection with the acquisition of the entire equity interest and the shareholder's loan of the Target Company by a subsidiary of the Company (the "**Acquisition**").

The Target Company was incorporated in the British Virgin Islands with limited liability on 13 September 2012. The principal activity of the Target Company is investment holding. Particulars of its subsidiary are set out in note 1 of Section II below.

The Target Group has adopted 31 December as its financial year end date. As at the date of this report, no statutory financial statements have been prepared for the Target Company as it is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation. The Target Company's subsidiary was registered in Hong Kong and its statutory financial statements for the years ended 31

December 2013, 2014 and 2015 were prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance and were audited by Cheung Lee Ng & Co. (CPA) Limited for the years ended 31 December 2013 and 2014, and by PricewaterhouseCoopers for the year ended 31 December 2015.

For the purpose of this report, the directors of the Target Company (the "**Target Company Directors**") have prepared the consolidated financial statements of the Target Group (the "**Underlying Financial Statements**") in accordance with HKFRSs. The Underlying Financial Statements for each of the years ended 31 December 2013, 2014 and 2015 and the nine months ended 30 September 2016 were audited by us in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

The Financial Information set out in this report has been prepared from the Underlying Financial Statements with no adjustments made thereon.

Target Company Directors' responsibility

The Target Company Directors are responsible for the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that give a true and fair view in accordance with HKFRSs, and for such internal control as the Target Company Directors determine is necessary to enable the preparation of the Underlying Financial Statements, the Financial Information and the Interim Comparative Information that are free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

It is our responsibility to form an independent opinion and a review conclusion on the Financial Information and the Interim Comparative Information, respectively, and to report our opinion and review conclusion thereon to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 *Prospectuses and the Reporting Accountant* issued by the HKICPA.

We have also performed a review of the Interim Comparative Information in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the HKICPA. A review consists principally of making enquires of management and applying analytical procedures to the financial information and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets and liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an opinion on the Interim Comparative Information.

Opinion in respect of the Financial Information

In our opinion, for the purpose of this report and on the bases of preparation and presentation set out in notes 2 and 3.1, respectively, of Section II below, the Financial Information gives a true and fair view of the financial position of the Target Group and the Target Company as at 31 December 2013, 2014 and 2015, and 30 September 2016 and its consolidated financial performance and cash flows for each of the Relevant Periods.

Review conclusion in respect of the Interim Comparative Information

Based on our review, which does not constitute an audit, for the purpose of this report, nothing has come to our attention that causes us to believe that the Interim Comparative Information is not prepared, in all material respects, in accordance with the same basis adopted in respect of the Financial Information.

I. FINANCIAL INFORMATION

(A) CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December			Nine months ended 30 September	
	Notes	**2013**	**2014**	**2015**	**2015**	**2016**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
REVENUE	*5*	9,465	11,448	12,199	9,139	9,178
Cost of sales		(1,302)	(1,300)	(1,399)	(1,039)	(1,078)
Gross profit		8,163	10,148	10,800	8,100	8,100
Other income	*5*	1,932	10,007	1,039	1,039	–
Administrative expenses		(73)	(16)	(1,001)	(9)	(19)
Fair value gain on an investment property	*10*	30,000	43,000	15,000	10,000	73,000
Fair value gain upon transfer of a property held for sale to an investment property	*10*	130,507	–	–	–	–
PROFIT BEFORE TAX	*6*	170,529	63,139	25,838	19,130	81,081
Income tax expense	*8*	(28,139)	(10,418)	(4,245)	(3,137)	(13,379)
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/PERIOD		142,390	52,721	21,593	15,993	67,702

(B) CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

		As at 31 December			As at 30 September
	Notes	2013	2014	2015	2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSET					
Investment property	*10*	382,000	425,000	440,000	513,000
CURRENT ASSETS					
Deposits		109	109	109	109
Due from fellow subsidiaries	*12*	175,480	221,309	108,615	104,580
Tax recoverable		–	–	896	220
Cash and bank balances	*11*	797	1,019	1,085	1,094
Total current assets		176,386	222,437	110,705	106,003
CURRENT LIABILITIES					
Accruals		10	10	20	20
Deposits received and receipts in advance		3,781	4,001	4,006	4,006
Due to the ultimate holding company	*12*	5	10	16	22
Due to fellow subsidiaries	*12*	383,347	409,034	287,522	276,067
Total current liabilities		387,143	413,055	291,564	280,115
NET CURRENT LIABILITIES		(210,757)	(190,618)	(180,859)	(174,112)
TOTAL ASSETS LESS CURRENT LIABILITIES		171,243	234,382	259,141	338,888
NON-CURRENT LIABILITY					
Deferred tax liability	*13*	40,738	51,156	54,322	66,367
Net assets		130,505	183,226	204,819	272,521
EQUITY					
Issued capital	*14*	–	–	–	–
Retained profits		130,505	183,226	204,819	272,521
Total equity		130,505	183,226	204,819	272,521

(C) CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Issued capital *HK$'000* *(note 14)*	Retained profits/ (accumulated losses) *HK$'000*	Total equity *HK$'000*
At 1 January 2013	–	(11,885)	(11,885)
Profit and total comprehensive income for the year	–	142,390	142,390
At 31 December 2013 and 1 January 2014	–	130,505	130,505
Profit and total comprehensive income for the year	–	52,721	52,721
At 31 December 2014 and 1 January 2015	–	183,226	183,226
Profit and total comprehensive income for the year	–	21,593	21,593
At 31 December 2015 and 1 January 2016	–	204,819	204,819
Profit and total comprehensive income for the period	–	67,702	67,702
At 30 September 2016	–	272,521	272,521
(Unaudited)			
At 1 January 2015	–	183,226	183,226
Profit and total comprehensive income for the period	–	15,993	15,993
At 30 September 2015	–	199,219	199,219

(D) CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 December			Nine months ended 30 September	
	Notes	**2013**	**2014**	**2015**	**2015**	**2016**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		170,529	63,139	25,838	19,130	81,081
Adjustments for:						
Loan interest income	5	(1,932)	(10,007)	(1,039)	(1,039)	–
Fair value gain on an investment property	10	(30,000)	(43,000)	(15,000)	(10,000)	(73,000)
Fair value gain upon transfer of a property held for sale to an investment property	10	(130,507)	–	–	–	–
		8,090	10,132	9,799	8,091	8,081
Increase in accruals		10	–	10	–	–
Increase/(decrease) in deposits received and receipts in advance		722	220	5	(5)	–
Cash from operations		8,822	10,352	9,814	8,086	8,081
Hong Kong profits tax paid		–	–	(1,975)	–	(658)
Net cash flows from operating activities		8,822	10,352	7,839	8,086	7,423
CASH FLOWS FROM INVESTING ACTIVITIES						
Decrease/(increase) in amounts due from fellow subsidiaries		(175,480)	(45,829)	112,694	91,051	4,035
Loan interest received		1,932	10,007	1,039	1,039	–
Net cash flows from/(used in) investing activities		(173,548)	(35,822)	113,733	92,090	4,035

	Note	Year ended 31 December			Nine months ended 30 September	
		2013	2014	2015	2015	2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Net cash flows from/(used in) investing activities		(173,548)	(35,822)	113,733	92,090	4,035
CASH FLOWS FROM FINANCING ACTIVITIES						
Increase/(decrease) in amounts due to fellow subsidiaries		164,738	25,687	(121,512)	(100,065)	(11,455)
Increase in an amount due to the ultimate holding company		5	5	6	5	6
Net cash flows from/(used in) financing activities		164,743	25,692	(121,506)	(100,060)	(11,449)
NET INCREASE IN CASH AND CASH EQUIVALENTS		17	222	66	116	9
Cash and cash equivalents at beginning of year/period		780	797	1,019	1,019	1,085
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	*11*	797	1,019	1,085	1,135	1,094
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances		797	1,019	1,085	1,135	1,094

(E) STATEMENTS OF FINANCIAL POSITION OF THE TARGET COMPANY

		As at 31 December			As at 30 September
	Notes	**2013**	**2014**	**2015**	**2016**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSET					
Investment in a subsidiary	*1*	218,434	218,434	218,434	218,434
CURRENT LIABILITIES					
Due to the ultimate holding company	*12*	5	10	16	22
Due to fellow subsidiaries	*12*	90,700	90,700	90,700	90,700
Due to a subsidiary	*1*	127,734	127,734	127,734	127,734
Total current liabilities		218,439	218,444	218,450	218,456
Net liabilities		(5)	(10)	(16)	(22)
DEFICIENCY IN ASSETS					
Issued capital	*14*	–	–	–	–
Accumulated losses		(5)	(10)	(16)	(22)
Total deficiency in assets		(5)	(10)	(16)	(22)

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE INFORMATION

The Target Company is a limited liability company incorporated in the British Virgin Islands (the "**BVI**") on 13 September 2012 and is an investment holding company.

During the Relevant Periods, the Target Company's subsidiary is principally involved in property investment in Hong Kong.

In the opinion of the Target Company Directors, Thing On Group Limited ("**Thing On**"), a company incorporated in the BVI, is the immediate and ultimate holding company of the Target Company as at 30 September 2016.

Information about the subsidiary

Particulars of the Target Company's subsidiary are as follows:

Company name	Place and date of incorporation and place of operation	Issued share capital	Percentage of equity directly attributable to the Target Company	Principal activities
Stadium Holdings Limited	Hong Kong 16 February 2000	HK$2	100	Property investment

At 31 December 2013, 2014 and 2015 and 30 September 2016, the balance with the subsidiary is unsecured, interest-free and repayable on demand.

2. BASIS OF PRESENTATION

Despite the Target Group's net current liabilities as at 30 September 2016, the Financial Information has been prepared by the Target Company Directors under the going concern concept because Thing On has agreed to provide continual financial support and adequate funds for the Target Group to meet its liabilities as and when they fall due and undertaken not to demand repayment of the amounts due to Thing On and its subsidiaries until such time as the Target Group is in a position to repay such amounts without impairing its liquidity position. The Company has also agreed to provide continual financial support and adequate funds to the Target Group to meet its liabilities as and when they fall due after the completion of the Acquisition.

3.1 BASIS OF PREPARATION

The Financial Information has been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 January 2016, together with the relevant transitional provisions, have been early adopted by the Target Group in the preparation of the Financial Information throughout the Relevant Periods and in the period covered by the Interim Comparative Information.

The Financial Information has been prepared under the historical cost convention, except for investment property which has been measured at fair value. The Financial Information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The Financial Information includes the financial statements of the Target Company and its subsidiary for the years ended 31 December 2013, 2014 and 2015 and the nine months ended 30 September 2016. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Target Company. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee).

When the Target Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Target Group's voting rights and potential voting rights.

The financial statements of the subsidiary are prepared for the same reporting period as the Target Company, using consistent accounting policies. The results of subsidiary are consolidated from the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Target Group. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Target Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Target Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Target Group had directly disposed of the related assets or liabilities.

3.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Target Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in the Financial Information.

HKFRS 9	*Financial Instruments*[2]
HKFRS 14	*Regulatory Deferral Accounts*[4]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*[2]
HKFRS 16	*Leases*[3]
Amendments to HKAS 7	*Disclosure Initiative*[1]
Amendments to HKAS 12	*Recognition on Deferred Tax Assets for unrealised losses*[1]

[1] Effective for annual periods beginning on or after 1 January 2017
[2] Effective for annual periods beginning on or after 1 January 2018
[3] Effective for annual periods beginning on or after 1 January 2019
[4] Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Target Group

The Target Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, the Target Group considers that these new and revised HKFRSs are unlikely to have a significant impact on the Target Group's results of operations and financial position.

3.3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Related parties

A party is considered to be related to the Target Group if:

(a) the party is a person or a close member of that person's family and that person

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

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

(iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group;

or

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Target Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Target Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

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

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the parent of the Target Group.

Fair value measurement

The Target Group measures its investment properties at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Target Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Target Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly

Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the Financial Information on a recurring basis, the Target Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (financial assets and investment property), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Investment properties

Investment properties are interests in land and buildings (including the leasehold interest under an operating lease for a property which would otherwise meet the definition of an investment property) held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Target Group is the lessor, assets leased by the Target Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms.

Financial instruments

(a) Financial assets

The Target Group's financial assets include deposits, amounts due from fellow subsidiaries, and cash and cash equivalents and are classified and accounted for as loans and receivables. Financial assets are recognised on the trade date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. Any changes in their value are recognised in the statement of profit or loss.

Derecognition of financial assets occurs when the rights to receive cash flows from the financial assets expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at the end of reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment loss on loans and receivables is recognised when there is objective evidence that the Target Group will not be able to collect all the amounts due to it in accordance with the original terms of the receivables. The amount of the impairment loss is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

(b) Financial liabilities

The Target Group's financial liabilities include accruals and amounts due to the ultimate holding company and fellow subsidiaries. Financial liabilities are recognised when the Target Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Target Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax liabilities are provided in full while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Cash and cash equivalents

For the purpose of the consolidated statements of cash flows, cash and cash equivalents comprise cash on hand and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts.

For the purpose of the statements of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Target Group and when the revenue can be reliably measured, on the following bases:

(a) rental income, on a time proportion basis over the lease terms;

(b) property management fee income, when the services are rendered; and

(c) interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Provision

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of profit or loss.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Target Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Target Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

Operating lease commitment – as lessor

The Target Group has entered into property lease on its investment property. The Target Group has determined, based on an evaluation of terms and conditions of the arrangement, that it retains all the significant risks and rewards of ownership of this property which is leased out on operating lease.

Classification between investment properties and properties held for sale

The Target Group acquires properties for sale and properties held to earn rentals and/or capital appreciation. Judgement is made by management on determining whether a property is designated as an investment property or a property held for sale. The Target Group considers its intention for holding the properties at the time of acquisition and such intention is reviewed periodically when there are changes in use and/or market conditions. Judgement is made by management on an individual property basis to determine whether actions toward affecting a change in use taken by the Target Group during the period of transfer are sufficient to support the transfer.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Current tax and deferred tax asset

The Target Group is subject to income tax in Hong Kong. The Target Group carefully evaluates tax implications of its transactions in accordance with prevailing tax regulations and makes tax provision accordingly. However, judgement is required in determining the Target Group's provision for income tax as there are transactions and calculations of which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, the differences will impact on the income tax and deferred tax provision in the periods in which the determination is made. Further details of the Target Group's income tax for the year and deferred tax are set out in notes 8 and 13 to the financial information, respectively.

Estimation of fair value of investment properties

In the absence of current prices in an active market for similar properties, the Target Group considers information from a variety of sources, including:

(a) current prices in an active market for properties of a different nature, condition or location or subject to different leases or other contracts, adjusted to reflect those differences;

(b) recent prices of similar properties on less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and

(c) discounted cash flow projections based on reliable estimates of future cash flows, supported by the terms of any existing lease and other contracts and (when possible) by external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

The principal assumptions for the Target Group's estimation of the fair value include those related to current market rents for similar properties in the same location and condition, appropriate discount rates, expected future market rents and future maintenance costs.

5. REVENUE AND OTHER INCOME

Revenue represents rental income earned from an investment property during the Relevant Periods.

An analysis of revenue and other income is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Revenue					
Rental income	8,163	10,148	10,800	8,100	8,100
Property management fee income	1,302	1,300	1,399	1,039	1,078
	9,465	11,448	12,199	9,139	9,178
Other income					
Loan interest income	1,932	10,007	1,039	1,039	–

6. PROFIT BEFORE TAX

The Target Group's profit before tax is arrived at after charging:

	Year ended 31 December			Nine months ended 30 September	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Direct operating expenses arising from rental income	1,302	1,300	1,399	1,039	1,078
Auditor's remuneration	10	10	20	–	–

7. DIRECTORS' REMUNERATION

No director received any fees or emoluments in respect of their services rendered to the Target Group during the Relevant Periods.

8. INCOME TAX EXPENSE

Pursuant to the rules and regulations of the BVI, the Group is not subject to any income tax in the BVI. Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Periods and the nine months ended 30 September 2015.

	Year ended 31 December			Nine months ended 30 September	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Provision for the year/period	–	–	1,079	796	1,334
Deferred *(note 13)*	28,139	10,418	3,166	2,341	12,045
Total tax charge for the year/period	28,139	10,418	4,245	3,137	13,379

A reconciliation of the tax expense applicable to profit before tax at the statutory rate for the tax expense at the effective tax rate is as follows:

	Year ended 31 December			Nine months ended 30 September	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Profit before tax	170,529	63,139	25,838	19,130	81,081
Tax at the Hong Kong statutory tax rate of 16.5%	28,137	10,418	4,263	3,156	13,378
Expenses not deductible for tax	2	–	2	1	1
Tax reduction	–	–	(20)	(20)	–
Tax charge at the Group's effective tax rate	28,139	10,418	4,245	3,137	13,379

9. DIVIDENDS

No dividend has been paid or declared by the Target Company during the Relevant Periods.

10. INVESTMENT PROPERTY

	As at 31 December			As at 30 September
	2013	**2014**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Carrying amount at beginning of year/period	–	382,000	425,000	440,000
Transfer from property held for sale	221,493	–	–	–
Fair value gain upon transfer of a property held for sale to an investment property	130,507	–	–	–
Net gain from a fair value adjustment	30,000	43,000	15,000	73,000
Carrying amount at end of year/period	382,000	425,000	440,000	513,000

The Target Group's investment property consist of one commercial property in Hong Kong. The investment property was revalued on 31 December 2013, 2014 and 2015 and 30 September 2016 by Asset Appraisal Limited ("**Asset Appraisal**"), independent professionally qualified valuers, at HK$382,000,000, HK$425,000,000, HK$440,000,000 and HK$513,000,000, respectively. For the purpose of this report, Asset Appraisal was appointed to perform valuations of the Target Group's investment property. Selection criteria of external valuer include market knowledge, reputation, independence and whether professional standards are maintained. Management has discussions with Asset Appraisal on the valuation assumptions and valuation results when the valuations are performed.

The investment property is leased to a third party under an operating lease, further summary details of which are included in note 16 to the financial statements.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Target Group's investment property:

	Fair value measurement using significant unobservable inputs (Level 3)			
	As at 31 December			As at 30 September
	2013	**2014**	**2015**	**2016**
Recurring fair value measurement for:	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Commercial property	382,000	425,000	440,000	513,000

During the Relevant Periods, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	HK$'000
Carrying amount at 1 January 2013	–
Transfer from property held for sale	221,493
Fair value gain upon transfer of a property held for sale to an investment property	130,507
Net gain from a fair value adjustment	30,000
Carrying amount at 31 December 2013 and 1 January 2014	382,000
Net gain from a fair value adjustment	43,000
Carrying amount at 31 December 2014 and 1 January 2015	425,000
Net gain from a fair value adjustment	15,000
Carrying amount at 31 December 2015 and 1 January 2016	440,000
Net gain from a fair value adjustment	73,000
Carrying amount at 30 September 2016	513,000

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment property:

	Valuation techniques	**Significant unobservable inputs**	**Range**
As at 31 December 2013			
Commercial property	Direct comparison method	Unit rate per square feet	HK$19,016 to HK$30,258
As at 31 December 2014			
Commercial property	Direct comparison method	Unit rate per square feet	HK$21,216 to HK$29,076
As at 31 December 2015			
Commercial property	Direct comparison method	Unit rate per square feet	HK$22,892 to HK$33,568
As at 30 September 2016			
Commercial property	Direct comparison method	Unit rate per square feet	HK$25,915 to HK$36,482

As at the end of each Relevant Periods, the valuations of investment property was based on direct comparison method by reference to comparable market transactions.

Significant increases/(decreases) in estimated unit rate per square feet in isolation would result in a significantly higher/(lower) fair value of the investment property.

11. CASH AND BANK BALANCES

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Target Group, and earn interest at the respective short term time deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

12. BALANCES WITH THE ULTIMATE HOLDING COMPANY AND FELLOW SUBSIDIARIES

At 31 December 2013, 2014 and 2015 and 30 September 2016, the balances with the ultimate holding company and fellow subsidiaries are unsecured, interest-free and repayable on demand, except for the amounts due from fellow subsidiaries of HK$173,778,000 and HK$221,309,000 as at 31 December 2013 and 2014, respectively, which are unsecured, interest bearing at rates ranging from 4.5% to 7% and 3% to 7% per annum, respectively, and have no fixed terms of repayment.

The balances are non-trade in nature and will be net-off and assigned to the Company upon the completion of the Acquisition.

13. DEFERRED TAX

The components of deferred tax liability during the Relevant Periods are as follows:

	Revaluation of investment property	**Losses available for offsetting against future taxable profits**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
At 1 January 2013	18,268	(5,669)	12,599
Deferred tax charged to profit or loss during the year *(note 8)*	26,484	1,655	28,139
At 31 December 2013 and 1 January 2014	44,752	(4,014)	40,738
Deferred tax charged to profit or loss during the year *(note 8)*	7,095	3,323	10,418
At 31 December 2014 and 1 January 2015	51,847	(691)	51,156
Deferred tax charged to profit or loss during the year *(note 8)*	2,475	691	3,166
At 31 December 2015 and 1 January 2016	54,322	–	54,322
Deferred tax charged to profit or loss during the year *(note 8)*	12,045	–	12,045
At 30 September 2016	66,367	–	66,367

14. SHARE CAPITAL

	As at 31 December 2013 HK$	As at 31 December 2014 HK$	As at 31 December 2015 HK$	As at 30 September 2016 HK$
Issued and fully paid:				
1 ordinary shares	8	8	8	8

15. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, the Target Group did not have any significant contingent liabilities.

16. OPERATING LEASE ARRANGEMENT

As lessor

The Target Group leases its investment property (note 10) under operating lease arrangements, with leases negotiated for a term of three years. The terms of the leases also require the tenant to pay security deposits.

At the end of each of the Relevant Periods, the Target Group had total future minimum lease receivables under non-cancellable operating lease with its tenants falling due as follows:

	As at 31 December 2013 HK$'000	As at 31 December 2014 HK$'000	As at 31 December 2015 HK$'000	As at 30 September 2016 HK$'000
Within one year	10,141	10,800	10,800	5,400
In the second to fifth years, inclusive	24,300	13,500	2,700	–
	34,441	24,300	13,500	5,400

17. RELATED PARTY TRANSACTIONS

(a) In addition to the transactions detailed elsewhere in the Financial Information, the Target Group had the following transactions with related parties during the Relevant Periods and the nine months ended 30 September 2015:

	Year ended 31 December 2013 HK$'000	Year ended 31 December 2014 HK$'000	Year ended 31 December 2015 HK$'000	Nine months ended 30 September 2015 HK$'000 (Unaudited)	Nine months ended 30 September 2016 HK$'000
Fellow subsidiaries:					
Management fees incurred	–	–	972	–	–
Loan interest income earned	1,932	10,007	1,039	1,039	–

The transactions were conducted at terms and conditions mutually agreed between the relevant parties.

(b) Outstanding balances with related parties

Details of the Target Group's balances with its ultimate holding company and fellow subsidiaries as at the end of each of the Relevant Periods are disclosed in note 12 to the financial statements.

18. FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and liabilities of the Target Group as at the end of each of the Relevant Periods are loans and receivables, and financial liabilities at amortised cost, respectively.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Target Group's principal financial instruments include balances with the ultimate holding company and fellow subsidiaries and cash and bank balances. The main purpose of these financial instruments is to raise finance for the Target Group's operations.

Management meets periodically to analyse and formulate measures to manage the Target Group's exposure to financial risks, including principally liquidity risk. The Target Group had no significant exposures to credit risk, interest rate risk, foreign currency risk and equity price risk. Generally the Target Group employs a conservative strategy regarding its risk management.

Liquidity risk

The Target Group's objective is to maintain a balance between continuity of funding and flexibility through the use of fund provided by the ultimate holding company and fellow subsidiaries.

The Target Group had not experienced any difficulty in obtaining continual financial support from the ultimate holding company and fellow subsidiaries in the past, and hence the Target Company Directors are of the opinion that liquidity risk of the Target Group is not significant.

The Target Group's financial liabilities as at the end of each of the Relevant Periods were payable within one year.

Fair value estimation

All financial instruments are carried at amounts not materially different from their fair values as at the end of each of the Relevant Periods due to the short term maturities of the instruments.

Capital management

The primary objectives of the Target Group's capital management are to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital.

The Target Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Target Group may adjust the dividend payment to shareholders, return capital to shareholder or issue new shares. The Target Group is not subject to any externally imposed capital requirements.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Company or its subsidiary in respect of any period subsequent to 30 September 2016.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

INTRODUCTION

This unaudited pro forma consolidated statement of financial position (the "**Unaudited Pro Forma Financial Information**") has been prepared for the purpose of providing shareholders of the Company with information about the impact of the Acquisition by illustrating how the Acquisition might have affected the financial position of the Group as at 30 September 2016, had the completion of the Acquisition taken place on 30 September 2016.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates and uncertainties. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Acquisition been completed on 30 September 2016. Neither does the Unaudited Pro Forma Financial Information purport to predict the future financial position of the Enlarged Group.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016 as set out in the interim report of the Company for the six months ended 30 September 2016, and the audited consolidated statement of financial position of the Target Company as at 30 September 2016 as set out in the accountants' report on the Target Group included in Appendix II to this circular, after giving effect to the pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this circular.

Unaudited pro forma consolidated statement of financial position

	The Group as at 30 September 2016	The Target Group as at 30 September 2016	Pro Forma Adjustments		Unaudited pro forma of the Enlarged Group
			Note 2(a)	*Note 2(b)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS					
Property, plant and equipment	1,105,148	–			1,105,148
Investment properties	833,700	513,000			1,346,700
Properties under development	404,804	–			404,804
Investment in joint ventures	106,511	–			106,511
Investment in associates	90,619	–			90,619
Trademarks	68,991	–			68,991
Available-for-sale investments	1,101,580	–			1,101,580
Financial assets at fair value through profit and loss	8,723	–			8,723
Loans and interest receivables	14,982	–			14,982
Deposits paid	132,658	–			132,658
Deferred tax assets	16,334	–			16,334
Total non-current assets	3,884,050	513,000			4,397,050
CURRENT ASSETS					
Properties under development	2,699,606	–			2,699,606
Properties held for sale	66,743	–			66,743
Available-for-sale investments	205,437	–			205,437
Inventories	228,109	–			228,109
Trade receivables	146,537	–			146,537
Loans and interest receivables	414,728	–			414,728
Prepayments, deposits and other receivables	409,869	109			409,978
Financial assets at fair value through profit and loss	370,106	–			370,106
Tax recoverable	4,437	220			4,657
Due from fellow subsidiaries	–	104,580	(104,580)		–
Cash and cash equivalents	1,854,885	1,094	(512,225)	(1,200)	1,342,554
	6,400,457	106,003			5,888,455
Assets classified as held for sale	210,570	–			210,570
Total current assets	6,611,027	106,003			6,099,025

	The Group as at 30 September 2016	The Target Group as at 30 September 2016	Pro Forma Adjustments		Unaudited pro forma of the Enlarged Group
			Note 2(a)	*Note 2(b)*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CURRENT LIABILITIES					
Trade payables	102,678	–			102,678
Other payables and accruals	120,613	20			120,633
Deposits received and receipts in advance	320,179	4,006			324,185
Interest-bearing bank and other loans	348,423	–			348,423
Tax payable	32,604	–			32,604
Due to the ultimate holding company and fellow subsidiaries	–	276,089	(276,089)		–
Total current liabilities	924,497	280,115			928,523
NET CURRENT ASSETS/(LIABILITIES)	5,686,530	(174,112)			5,170,502
TOTAL ASSETS LESS CURRENT ASSETS	9,570,580	338,888			9,567,552
NON-CURRENT LIABILITIES					
Interest-bearing bank and other loans	2,958,073	–			2,958,073
Deferred tax liabilities	51,030	66,367	(66,367)		51,030
Other payables	29,420	–			29,420
Total non-current liabilities	3,038,523	66,367			3,038,523
Net assets	6,532,057	272,521			6,529,029
EQUITY					
Equity attributable to owners of the parent					
Issued capital	192,885	–			192,885
Reserves	4,476,333	272,521	(274,349)	(1,200)	4,473,305
	4,669,218	272,521			4,666,190
Non-controlling interests	1,862,839	–			1,862,839
Total equity	6,532,057	272,521			6,529,029

Notes:

1. Basis of preparation

This Unaudited Pro Forma Financial Information has been prepared in accordance with Rule 4.29 of the Listing Rules and based upon: (i) the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016, which has been extracted from the unaudited interim financial information of the Group for the six months ended 30 September 2016; and (ii) the audited statement of financial position of the Target Group as at 30 September 2016, which has been extracted from the accountants' report on the Target Group included in Appendix II to this circular; and adjusted in accordance with the pro forma adjustments described in note 2 below, as if the Acquisition had been completed on 30 September 2016.

This Unaudited Pro Forma Financial Information has been prepared in a manner consistent with both the format and accounting policies adopted by the Group in the unaudited interim financial information for the six months ended 30 September 2016.

2. Notes to the pro forma adjustments

(a) The Target Group principally holds a commercial property in Hong Kong and does not carry out any other active business operations. Under Hong Kong Financial Reporting Standard 3 (Revised) Business Combinations ("**HKFRS 3**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"), the acquisition method does not apply to a situation where the acquisition of an asset or a group of assets does not constitute a business. Accordingly, the Acquisition is not considered as a business acquisition and the Group will recognise the individual identifiable assets acquired and liabilities assumed in the Acquisition. In accordance with HKFRS 3, the consideration shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of completion of the Acquisition and such a transaction does not give rise to goodwill. In addition, under *Hong Kong Accounting Standard 12 Income Taxes*, when the deferred tax liability arises from the initial recognition of an asset in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, the initial recognition exception applies. Accordingly, the deferred tax liability recognised by the Target Group for the gain arising from change in fair value on the investment property should be reversed by the Group due to the initial recognition exemption. As the commercial property has already been stated at fair value as at 30 September 2016, after the reversal of the deferred tax liability of the Target Group, the excess of the consideration over the net assets value of the Target Group and the Shareholder Loan will be charged to profit or loss.

The adjustment represents (i) the cash payment of HK$512.2 million for the Acquisition; (ii) the elimination of the Shareholder Loan of the Target Company of HK$171.5 million; (iii) the elimination of the share capital of the Target Company of HK$2 and pre-acquisition accumulated retained earnings of HK$272.5 million; (iv) the reversal of the deferred tax liability of the Target Group by the Group of HK$66.4 million; and (v) the excess of the consideration over the net assets value of the Target Group, after considering the adjustments mentioned above of HK$1.8 million is charged to profit or loss in accordance with HKFRS 3.

(b) The adjustment represents the estimated transaction costs related to the Acquisition of approximately HK$1.2 million.

LETTER ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants of the Company, Ernst & Young, Certificated Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the unaudited pro forma financial information of the Group.

22/F, CITIC Tower
1 Tim Mei Avenue
Central, Hong Kong

13 February 2017

The Directors
Wang On Group Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wang On Group 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 pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 30 September 2016 and the related notes set out on pages III-2 to III-4 of the circular dated 13 February 2017 issued by the Company (the "**Circular**") (the "**Unaudited Pro Forma Financial Information**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page III-1 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the acquisition of Fession Group Limited and its subsidiary (the "**Acquisition**") on the financial position of the Group as at 30 September 2016, as if the Acquisition had taken place on 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited interim financial information for the six months ended 30 September 2016.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline ("**AG**") 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Our independence and quality control

We have complied with the independence and other ethical requirements 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 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 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 Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing 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 the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition 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 Acquisition 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 Acquisition, 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 Acquisition in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly complied 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 4.29(1) of the Listing Rules.

Yours faithfully,
Ernst & Young
Certified Public Accountants
Hong Kong

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Asset Appraisal Limited, an independent valuer, in connection with its valuation as at 30 November 2016 of the property interests acquired by the Group.

Asset Appraisal Limited
中誠達資產評值顧問有限公司
Rm 901, 9/F., On Hong Commercial Building
145 Hennessy Road, Wanchai, Hong Kong
香港灣仔軒尼詩道145號安康商業大廈9字樓901室
Tel: (852) 2529 9448 Fax: (852) 3544 5854

13 February 2017

The Board of Directors
Wang On Group Limited
Suite 3202, 32/F., Skyline Tower
No. 39 Wang Kwong Road
Kowloon Bay Kowloon
Hong Kong.

Dear Sirs,

Re: Valuation of Office on 30th Floor, United Centre, No.95 Queensway, Hong Kong

In accordance with the instructions from Wang On Group Limited (the "**Company**") to value the property interests (the "**Property**") to be acquired by the Company or its subsidiaries (altogether referred to as the "**Group**") situated in Hong Kong, we confirm that we have carried out inspections of the Property, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 30 November 2016 (the "**date of valuation**").

BASIS OF VALUATION

Our valuation of the Property represents the market value which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

TITLESHIP

We have caused searches to be made at the appropriate Land Registry for the Property. However, we have not verified ownership of the Property or to verify the existence of any amendments which do not appear on the copies handed to us. All documents have been used for reference only.

VALUATION METHODOLOGY

The Property is valued by the comparison method where comparison based on prices realised or market prices of comparable properties is made. Comparable properties of similar size, character and location are analysed and carefully weighed against all the respective advantages and disadvantages of each property in order to arrive at a fair comparison of capital values.

ASSUMPTIONS

Our valuation has been made on the assumption that the Group sell the Property on the market in their existing states without the benefit of deferred terms contracts, leaseback, joint ventures, management agreements or any similar arrangement which would serve to affect the value of the Property.

As the Property is held by the owner by means of long term Government lease, we have assumed that the owner has a free and uninterrupted right to use the Property for the whole of the unexpired term of its Government Lease.

Other special assumptions for our valuation (if any) would be stated out in the footnotes of the valuation certificate attached herewith.

LIMITING CONDITIONS

No allowance has been made in our report for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its values.

We have relied to a very considerable extent on the information given by the Company and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have not carried out detailed site measurements to verify the correctness of the floor areas in respect of the Property but have assumed that the areas shown on the documents and official plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

The Property was inspected on 15 November 2016 by Mr. Tse Wai Leung, who is a member of Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors. However, no structural survey has been made for them. In the course of our inspection, we did not note any apparent defects. We are not, however, able to report whether the buildings and structures inspected by us are free of rot, infestation or any structural defect. No test was carried out on any of the building services and equipment.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Company. We have also sought confirmation from the Company that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and we have no reason to suspect that any material information has been withheld.

In valuing the Property, we have complied with all the requirements contained in Chapter 5 and Practice Note 12 to the Rules Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and The HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

We enclose herewith our valuation certificate.

Yours faithfully,
For and on behalf of
Asset Appraisal Limited
Sandra Lau
MHKIS AAPI RPS(GP)
Director

Sandra Lau is a member of the Hong Kong Institute of Surveyors, an Associate of the Australian Property Institute and a Registered Professional Surveyor in General Practice. She is on the list of Property Valuers for Undertaking Valuations for Incorporation or Reference in Listing Particulars and Circulars and Valuations in Connection with Takeovers and Mergers of the Hong Kong Institute of Surveyors, Registered Business Valuer under the Hong Kong Business Valuation Forum and has over 10 years' experience in valuation of properties in Hong Kong, in Macau and in the PRC.

VALUATION CERTIFICATE

Property held by the Target for Investment

Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 30 November 2016 *HK$*
Office on 30th Floor, United Centre, No.95 Queensway, Hong Kong. 1742/74554th shares of and in Inland Lot No.8469	The subject property comprises the office space on 30th floor within a 35-storey office building of reinforced concrete construction completed in about 1980. The property has a saleable area of approximately 17,754 square feet. The property is held under the Conditions of Sale No. UB11233 for a term of 75 years and renewable for another 75 years commencing on 4 August 1978 at a government rent of HK$1,000 per annum for the whole lot.	As advised by the Company, the property was subject to a tenancy for a term of 3 years expiring on 30 March 2017 at a monthly rent of HK$900,000 inclusive of Government rent but exclusive of rates, air-conditioning and management fees.	513,000,000

Notes:

1. The registered owner of the property is Stadium Holdings Limited vide memorial no.09042900420057 dated 31 March 2009.

2. The following encumbrances are registered in the land registry against the property:

   i. Deed of Mutual Covenant with Plans vide memorial no.09042900420057 dated 28 April 1981;

   ii. Tenancy in favour of Orix Asia Limited for a term of three years from 31 March 2014 to 30 March 2017 at a rent of HK$900,000 per month, vide memorial no.13062501000116 dated 13 June 2013.

3. The property falls within an area zoned as "Commercial" under Central District Outline Zoning Plan no. S/H4/16 dated 11 November 2016.

4. The locality is an established commercial area. Developments in the vicinity comprise mainly high rise commercial buildings of various ages. Comprehensive shopping facilities are available within the lower floors of the subject development. Public transports serving the vicinity include buses and taxi. MTR Admiralty station is situated within a walking distance.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests of Directors

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and/or any of their respective associates had any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (a) 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 (b) which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

Long positions in the Shares

	Number of Shares held, capacity and nature of interest					Approximate percentage of the Company's total issued share capital
Name of Director	Personal interest	Family interest	Corporate interest	Other interest	Total	*(Note f)* %
Mr. Tang Ching Ho ("**Mr. Tang**")	28,026,339	28,026,300 *(Note a)*	4,938,375,306 *(Note b)*	4,989,928,827 *(Note c)*	9,984,356,772	51.76
Ms. Yau Yuk Yin ("**Ms. Yau**")	28,026,300	4,966,401,645 *(Note d)*	–	4,989,928,827 *(Note e)*	9,984,356,772	51.76

Notes:

(a) Mr. Tang was taken to be interested in those Shares in which his spouse, Ms. Yau, was interested.

(b) Mr. Tang was taken to be interested in those Shares in which Caister Limited, a company which is wholly and beneficially owned by him, was interested. Mr. Tang is also the sole director of Caister Limited.

(c) Mr. Tang was taken to be interested in those Shares by virtue of being the founder of a discretionary trust, namely Tang's Family Trust.

(d) Ms. Yau was taken to be interested in those Shares in which her spouse, Mr. Tang, was interested.

(e) Ms. Yau was taken to be interested in those Shares by virtue of being a beneficiary of Tang's Family Trust.

(f) The percentages represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 19,288,520,047 Shares.

(b) Persons who have interests or short positions in the Shares or underlying Shares which is discloseable under Divisions 2 and 3 of Part XV of the SFO

Save as disclosed below, as at the Latest Practicable Date, no person had, or were deemed or taken to have interests or short positions 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:

Long positions in the Shares

Name of Shareholders	Capacity	Number of Shares	Approximate percentage of the Company's total issued share capital *(Note 5)*
Casiter Limited *(Note 1)*	Beneficial owner	4,938,375,306	25.60
Accord Power Limited *(Note 2)*	Beneficial owner	4,989,928,827	25.87
Fiducia Suisse SA *(Note 3)*	Interest of controlled corporation	4,989,928,827	25.87
David Henry Christopher Hill *(Note 3)*	Interest of controlled corporation	4,989,928,827	25.87
Rebecca Ann Hill *(Note 4)*	Family interest	4,989,928,827	25.87

Notes:

(1) Caister Limited is beneficially wholly owned by Mr. Tang, who is an executive Director and the sole director of Caister Limited.

(2) Accord Power Limited is wholly owned by Fiducia Suisse SA in its capacity as the trustee of Tang's Family Trust. Accordingly, Fiducia Suisse SA was taken to be interested in those Shares held by Accord Power Limited.

(3) Fiducia Suisse SA is wholly owned by Mr. David Henry Christopher Hill, and accordingly, Mr. David Henry Christopher Hill was taken to be interested in those Shares in which Fiducia Suisse SA was interested.

(4) Ms. Rebecca Ann Hill was taken to be interested in those Shares in which her spouse, Mr. David Henry Christopher Hill was interested.

(5) The percentages represented the number of Shares over the total issued share capital of the Company as at the Latest Practicable Date of 19,288,520,047 Shares.

3. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

(i) There is no contract or arrangement entered into by any member of the Group, subsisting as at the Latest Practicable Date in which any of the Directors is materially interested and which is significant in relation to the business of the Group as a whole.

(ii) As at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which had been, since 31 March 2016, being the latest published audited financial statements of the Company were made up, 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.

4. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Chan Chun Hong, the managing Director, is currently the Chairman and managing director of Easy One Financial Group Limited ("**Easy One**"), which has been principally engaged in financing business since November 2015, which were overlapping with the financing business of the Group (contributing approximately 0.3% of the total revenue for the year ended 31 March 2016 to the Group), and thus may compete, or is likely to compete, either directly or indirectly, with the financing business of the Group.

For safeguarding the interests of the Group, the independent non-executive Directors and the audit committee of the Company would on a regular basis review the business and operational results of the Group to ensure, *inter alia*, that the Group's financing business is and continues to be run on the basis that they are independent of, and at arm's length from, those operated by members of Easy One.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates were considered to have any interests in businesses which competed or were likely to compete, either directly or indirectly, with the businesses of the Group that need to be disclosed pursuant to Rule 8.10 of the Listing Rules.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into, or proposed to enter into, any service contract with the Company or any other member(s) of the Group (excluding contracts expiring or which may be terminated by the Company within a year without payment of any compensation (other than statutory compensation)).

6. LITIGATION

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

7. MATERIAL CONTRACTS

The WOG Group

Within the two years immediately preceding the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the WOG Group which are or may be material:

(a) a loan agreement dated 26 January 2017 entered into between Fulling Limited ("**Fulling**"), an indirectly wholly-owned subsidiary of the Company, as the lender, and an independent third party customer, as the borrower, in relation to the grant of a secured loan of a principal amount of HK$90.0 million for a term of three months (with an option to extend for further three months) at an interest rate of 20% per annum;

(b) a loan agreement dated 13 September 2016 entered into between Fulling, as the lender, and an independent third party customer, as the borrower, in relation to the grant of a secured loan of a principal amount of HK$150.0 million for a term of twelve months with the interest rate of 9.75% per annum;

(c) an irrevocable undertaking dated 5 July 2016 given by Rich Time Strategy Limited ("**Rich Time**") in favour of WYT to accept and subscribe for 209,492,205 rights shares of its provisional entitlements and apply, by way of excess application, for 370 million rights shares, under WYT's rights issue at HK$0.43 per right share of WYT, the details of which were set out in the joint announcement issued by the Company and WYT dated 8 July 2016;

(d) a conditional sale and purchase agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016) entered into between Double Leads Investments Limited ("**Double Leads**"), an indirectly wholly-owned subsidiary of the Company, the Company and Winning Rich Investments Limited ("**Winning Rich**"), an indirectly wholly-owned subsidiary of WYT, under which Winning Rich will acquire a bond from Double Leads and the Company will provide a guarantee in favour of Winning Rich for the due and punctual performance of China Agri-Products Exchange Limited's ("**CAP**") obligations under its 10.0% bond due on 28 November 2019 with an outstanding principal amount of HK$200 million issued by CAP;

(e) an underwriting agreement dated 6 April 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, Wang On Enterprises (BVI) Limited ("**WOE**"), CLC International Limited, Kingston Corporate Finance Limited ("**KCF**"), Kingston Securities Limited ("**KSL**"), VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the placing of 342 million shares in the issued share capital of WOP (the "**WOP Placing**");

(f) a stock borrowing agreement dated 6 April 2016 entered into between Earnest Spot Limited, as lender, and KSL, as borrower, pursuant to which Earnest Spot Limited agreed to lend to KSL up to 57 million shares in WOP in order to facilitate the settlement of over-allocations in connection with the WOP Placing;

(g) a deed of non-competition dated 29 March 2016 entered into by the Company in favour of WOP (for itself and for each of its subsidiaries), pursuant to which the Company agreed not to, among other things, engage or participate in any business which is in competition with WOP's business;

(h) an underwriting agreement dated 29 March 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, WOE, CLC International Limited, KCF, KSL, VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the issue and offer of 38 million new shares by WOP for subscription in Hong Kong;

(i) a sale and purchase agreement dated 16 March 2016 entered into between Sparkle Hope Limited and WOE in respect of the acquisition by Sparkle Hope Limited of the entire issued share capital of, and shareholders' loans owed by, East Run Investments Limited ("**East Run**") and More Action Investments Limited ("**More Action**") at a consideration of HK$2,047,989,378;

(j) a deed of assignment of loan dated 16 March 2016 entered into between WOE, Earnest Spot Limited and Sparkle Hope Limited under which WOE assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle

Hope Limited to WOE in the amount of HK$2,047,989,378 to Earnest Spot Limited absolutely, in consideration of which Earnest Spot Limited issued to WOE one share, credited as fully paid, in its issued share capital;

(k) a deed of assignment of loan dated 16 March 2016 entered into between Earnest Spot Limited, WOP and Sparkle Hope Limited under which Earnest Spot Limited assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to Earnest Spot Limited in the amount of HK$2,047,989,378 to WOP absolutely, for a consideration of HK$1.00;

(l) a sale and purchase agreement dated 1 December 2015 entered into between Super Eagle Limited as purchaser, East Run, a then indirectly wholly-owned subsidiary of the Company, as vendor, and the Company as guarantor, in relation to the sale and the assignment of the entire issued share capital of Level Success Limited and the benefit of the loan owed by Level Success Limited to East Run for a total consideration of HK$823.0 million (subject to adjustment as stipulated in the agreement), the details of which were set out in the announcement of the Company dated 1 December 2015;

(m) a loan agreement dated 17 August 2015 entered into between Double Leads as the lender and CAP as the borrower, in relation to the grant of an unsecured revolving credit facility of not exceeding a sum of HK$100.0 million at an interest rate of 12.0% per annum to CAP for a term of 36 months commencing from 17 August 2015 and expiring on 16 August 2018;

(n) a provisional sale and purchase agreement dated 12 August 2015 entered into between East Run as the vendor, the Company as the guarantor and Dragon Jet Limited as the purchaser, in relation to the sale and assignment of the entire issue share capital and shareholder loan of Easy Kingdom Limited at a consideration of HK$158.0 million, the details of which were set out in the announcement of the Company dated 12 August 2015;

(o) a loan agreement dated 21 July 2015 entered into between Double Leads as lender and CAP as borrower in relation to the grant of an unsecured revolving credit facility of not exceeding a sum of HK$30.0 million at an interest rate of 12.0% per annum to CAP for a term of 12 months commencing from 21 July 2015 and expired on 20 July 2016;

(p) an irrevocable undertaking dated 25 March 2015 granted by Rich Time in favour of WYT to accept and subscribe for 432,271,017 rights shares of its provisional entitlements and apply, by way of excess application, for 530 million rights shares, under WYT's rights issue at HK$0.108 per right share of WYT, the details of which were set out in the joint announcement issued by the Company and WYT dated 26 March 2015; and

(q) a loan agreement dated 13 February 2015 entered into between Double Leads as lender and CAP as borrower, in relation to the grant of an unsecured revolving credit facility of not exceeding a sum of HK$110.0 million at an interest rate of 12.0% per annum to CAP for a term of 12 months commencing from 13 February 2015 and expired on 12 February 2016, the details of which were set out in the announcement of the Company dated 13 February 2015, such agreement was terminated on 17 August 2015.

The WOP Group

Within the two years immediately preceding the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the WOP Group which are or may be material:

(a) the Agreement;

(b) a provisional sale and purchase agreement dated 4 November 2016 entered into between Precious Investments Limited, an indirectly wholly-owned subsidiary of WOP, as the purchaser and World Success Limited as the vendor in relation to the acquisition of a property located at G/F. & M/F., No. 166 Sai Yeung Choi Street South, Kowloon for a consideration of HK$83.3 million;

(c) an underwriting agreement dated 6 April 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, WOE, CLC International Limited, KCF, KSL, VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the WOP Placing;

(d) a deed of non-competition dated 29 March 2016 entered into by the Company in favour of WOP (for itself and for each of its subsidiaries), pursuant to which the Company agreed not to, among other things, engage or participate in any business which is in competition with WOP's business;

(e) an underwriting agreement dated 29 March 2016 entered into by WOP, the Company, Wong Yiu Hung Gary, Tang Ho Hong, Earnest Spot Limited, WOE, CLC International Limited, KCF, KSL, VMS Securities Limited, Get Nice Securities Limited and CLC Securities Limited, relating to the issue and offer of 38 million new shares by WOP for subscription in Hong Kong;

(f) a sale and purchase agreement dated 16 March 2016 entered into between Sparkle Hope Limited and WOE in respect of the acquisition by Sparkle Hope Limited of the entire issued share capital of, and shareholders' loans owed by, East Run and More Action at a consideration of HK$2,047,989,378;

(g) a deed of assignment of loan dated 16 March 2016 entered into between WOE, Earnest Spot Limited and Sparkle Hope Limited under which WOE assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to WOE in the amount of HK$2,047,989,378 to Earnest Spot Limited absolutely, in consideration of which Earnest Spot Limited issued to WOE one share, credited as fully paid, in its issued share capital;

(h) a deed of assignment of loan dated 16 March 2016 entered into between Earnest Spot Limited, WOP and Sparkle Hope Limited under which Earnest Spot Limited assigned the full benefits and advantages of, and all rights, interests, benefits, entitlements and title in the sum owed by Sparkle Hope Limited to Earnest Spot Limited in the amount of HK$2,047,989,378 to the Company absolutely, for a consideration of HK$1.00;

(i) a sale and purchase agreement dated 1 December 2015 entered into between East Run as the vendor, the Company as the guarantor and Super Eagle Limited, an independent third party, as the purchaser, in relation to the disposal of Level Success Limited which held properties known as "Riviera Gardens" located at Tsuen Wan, New Territories together with the right to use and occupy a commercial building known as "Riviera Plaza" of Riviera Gardens and all those car parking spaces of Riviera Plaza of Riviera Gardens for a total consideration of HK$823.0 million (subject to adjustment as stipulated in the agreement);

(j) a conditional sale and purchase agreement dated 13 November 2015 entered into between East Run as the vendor and Guidepost Investments Limited ("**Guidepost**"), as the purchaser, a wholly-owned subsidiary of WTY, in relation to the disposal of Sunbo Investment Limited and Good Excellent Limited, which held properties located at Shop B on Ground Floor, including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories and all that Shop on Ground Floor, with the Cockloft, 60A Yen Chow Street, Kowloon, respectively, for an aggregate consideration of HK$70.0 million (subject to adjustment as stipulated in the agreement); and

(k) a provisional sale and purchase agreement dated 12 August 2015 entered into between East Run as the vendor, the Company as the guarantor and Dragon Jet Limited, an independent third party, as the purchaser, in relation to the disposal of Easy Kingdom Limited which held a property located at Shop Nos. 4 & 5 on Ground Floor, Mongkok Building, Nos. 93, 95 & 99 Mongkok Road, Nos. 135A & 135B Sai Yee Street, Kowloon, Hong Kong for a total consideration of HK$158.0 million.

The WYT Group

Within the two years immediately preceding the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the members of the WYT Group which are or may be material:

(a) a loan agreement dated 5 October 2016 entered into between Able Trend Limited, an indirectly wholly-owned subsidiary of WYT, as the lender, and Easy One as the borrower, in relation to the grant of an unsecured revolving credit facility of not exceeding a sum of HK$100.0 million at an interest rate of 6.5% per annum to Easy One for a term of 24 months commencing from 5 October 2016 and expiring on 4 October 2018;

(b) an office sub-licensing agreement dated 19 September 2016 entered into between Daywin Limited as licensor and Wang On Management Services Limited, a wholly-owned subsidiary of the Company, as licensee in relation to the sub-licensing of office premises located in Kowloon Bay, Kowloon and the details of which are set out in the announcement of WYT dated 19 September 2016;

(c) an office sub-licensing agreement dated 19 September 2016 entered into between Daywin Limited as licensor and Wang On Properties Services Limited, a wholly-owned subsidiary of WOP, as licensee in relation to the sub-licensing of office premises located in Kowloon Bay, Kowloon and the details of which are set out in the announcement of WYT dated 19 September 2016;

(d) an underwriting agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016 and a second supplemental agreement dated 27 July 2016) entered into between WYT and KSL in relation to the rights issue by WYT on the basis of three rights share for every one existing share at a subscription price of HK$0.43 per rights share, as detailed in WYT's announcement dated 8 July 2016 and the prospectus dated 6 September 2016;

(e) a conditional sale and purchase agreement dated 5 July 2016 (as amended by a supplemental agreement dated 8 July 2016) entered into between Double Leads, the Company and Winning Rich under which Winning Rich will acquire a bond from Double Leads and the Company will provide a guarantee in favour of Winning Rich for the due and punctual performance of CAP's obligations under a 10.0% bond due on 28 November 2019 with an outstanding principal amount of HK$200,000,000 issued by CAP;

(f) the agreement dated 5 July 2016 entered into between Caffco International Ltd, The Sky High Plastic Works Limited and New Grade Limited in respect of procurement for vacation of a factory building and two dormitory buildings erected on the Land Lot No. G12204-0126 located at Nanbu Village, Pingshan Town, Shenzhen, the PRC (the "**SZ Properties**") at a consideration of HK$9.0 million;

(g) five agreements all dated 5 July 2016 entered into between The Sky High Plastic Works Limited and New Grade Limited in relation to sale and purchase of certain existing fittings and various consultation services to New Grade Limited at an aggregate consideration of HK$19.0 million;

(h) the provisional sale and purchase agreement dated 16 July 2015 entered into between The Sky High Plastic Works Limited and New Grade Limited in relation to the acquisition by New Grade Limited of a property in Shenzhen, as supplemented by supplemental agreements dated 16 October 2015, 29 December 2015, 24 February 2016, 27 April 2016, 27 July 2016 and 30 December 2016;

(i) a provisional sale and purchase agreement dated 25 November 2015 entered into between an individual who is an independent third party to the WYT Group and Smart First Investment Limited, an indirectly wholly-owned subsidiary of WYT, in relation to the disposal of a property located at Ground Floor, First Floor, Second Floor and Rooftop of No. 68 San Hong Street, Sheung Shui, New Territories, Hong Kong for a total consideration of HK$88.0 million, the details of which were set out in the announcement issued by WYT on 26 November 2015;

(j) a conditional sale and purchase agreement dated 13 November 2015 entered into between Guidepost, an indirectly wholly-owned subsidiary of WYT as purchaser, and East Run, a then indirectly wholly-owned subsidiary of the Company as vendor, in relation to the acquisition by Guidepost of Sunbo Investment Limited and Good Excellent Limited, which held properties located at Shop B on Ground Floor, including the Cockloft, Yan Oi House, No. 237 Sha Tsui Road, Nos. 87 & 89 Chuen Lung Street, Tsuen Wan, New Territories and all that Shop on Ground Floor, with the Cockloft, 60A Yen Chow Street, Kowloon, respectively, for an aggregate consideration of HK$70.0 million (subject to adjustment as stipulated in the agreement), the details of which were set out in the announcement and circular issued by WYT on 13 November 2015 and 4 December 2015, respectively;

(k) an acknowledgement deed dated 16 July 2015 entered into by Hearty Limited ("**Hearty**") and Suntech Investments Limited ("**Suntech**"), indirectly wholly-owned subsidiaries of WYT, in favour of Easy One confirming the revised subscription price of HK$0.105 per rights share under the Easy One 2015 Rights Issue (as defined below) and agreeing that the terms of the WYT Irrevocable Undertaking (as defined below) remain unchanged save for the change to the latest time for acceptance in respect of the Easy One 2015 Rights Issue (as defined below) and the resulting change to the maximum aggregate amount payable by Hearty and Suntech to subscribe in full for their respective provisional entitlements, and by Hearty to subscribe in full for the 380,000,000 rights shares for which it will have made an excess application under the Easy One 2015 Rights Issue (as defined below) pursuant to the WYT Irrevocable Undertaking (as defined below). Further details of the said acknowledgement deed are set out in the joint announcement issued by WYT and Easy One dated 16 July 2015;

(l) an irrevocable undertaking (the "**WYT Irrevocable Undertaking**") dated 28 May 2015 granted by Hearty and Suntech in favour of Easy One under which Hearty and Suntech agreed to subscribe for, respectively, 665,958,750 rights shares and 8,460,000 rights shares, which comprise the full acceptance of their respective provisional entitlements, and Hearty further agreed to apply, by way of excess application, for 380,000,000 rights shares, under Easy One's rights issue (the "**Easy One 2015 Rights Issue**") at HK$0.168 per rights share of Easy One, the details of which were set out in the joint announcement issued by WYT and Easy One dated 4 June 2015;

(m) a provisional sale and purchase agreement dated 24 April 2015 entered into between Dvorak Limited, WYT and Guidepost, in relation to the disposal by Guidepost of Smart Star Investments Limited, which held a property located at Shops A and B on Ground Floor, No. 296 Electric Road, North Point, Hong Kong for a consideration of HK$45.0 million, the details of which were set out in the announcement issued by WYT on 27 April 2015; and

(n) an underwriting agreement dated 25 March 2015 entered into between WYT and KSL in relation to the rights issue by WYT on the basis of one rights share for every two then existing shares at a subscription price of HK$0.108 per rights share, as detailed in WYT's announcements dated 26 March 2015 and 18 May 2015, respectively, and the prospectus dated 24 April 2015.

8. EXPERTS AND CONSENTS

The following is the qualification of each of the experts whose statements have been included in this circular:

Name	Qualification
Asset Appraisal Limited (“**Asset Appraisal**”)	Independent professional valuer
Ernst & Young	Certified Public Accountants

Each of Asset Appraisal and Ernst & Young has given and has not withdrawn their written consent to the issue of this circular with the inclusion herein of its letters or opinions or reports or references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of Asset Appraisal and Ernst & Young had not had any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of Asset Appraisal and Ernst & Young had not had any direct or indirect interests in any assets which have been, since 31 March 2016 (being the date to which the latest published audited accounts of the Company were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group.

9. GENERAL

(a) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong.

(b) The company secretary of the Company is Ms. Mak Yuen Ming, Anita. She is an associate member of both The Institute of Chartered Secretaries and Administrators and The Hong Kong Institute of Chartered Secretaries.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited, Level 22, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.

(d) The English texts of this circular and the accompanying form of proxy shall prevail over their Chinese texts in case of inconsistencies.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Suite 3202, 32/F., Skyline Tower, 39 Wang Kwong Road, Kowloon Bay, Kowloon, Hong Kong on any Business Day from the date of this circular up to 27 February 2017:

(a) the memorandum of association and the Bye-laws;

(b) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix;

(c) the accountants' report of the Target Group, the text of which is set out in Appendix II to this circular;

(d) the report by the auditors on the unaudited pro forma consolidated financial information of the Enlarged Group set out in Appendix III to this circular;

(e) the valuation report on the Property prepared by Asset Appraisal as set out in Appendix IV to this circular;

(f) the written consent of each of the experts referred to in the paragraph headed "Experts and Consents" in this Appendix;

(g) the interim report of the Company for the six months ended 30 September 2016;

(h) the annual reports of the Company for the three financial years ended 31 March 2014, 2015 and 2016;

(i) a copy of the circular dated 9 August 2016 issued by the Company pursuant to the requirements set out in Chapter 14 of the Listing Rules; and

(j) this circular.