

**THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you are a Hong Kong Shareholder and you have sold or otherwise transferred all of your securities in the Company, you should at once hand this Composite Document and the accompanying Form of Acceptance and Transfer (“FAT HK”) to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

If you are a Singapore Shareholder and you have sold or otherwise transferred all of your securities in the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Composite Document and the accompanying Form of Acceptance and Authorisation (“FAA SG”) to the purchaser(s) or transferee(s), as CDP will arrange for a separate Composite Document and FAA SG to be sent to the purchaser(s) or transferee(s).

If you are a Singapore Shareholder and you have sold or transferred all of your securities in the Company, not held through CDP, you should immediately hand this Composite Document and the accompanying Form of Acceptance and Transfer (“FAT SG”) to the purchaser(s) or transferee(s) or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Acceptance Forms, the contents of which form part of the terms and conditions of the Offer.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, Hong Kong Securities Clearing Company Limited and The Singapore Exchange Securities Trading Limited take no responsibility for the contents of this Composite Document and the accompanying Acceptance Forms, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Composite Document and the accompanying Acceptance Forms.

**ROAD SHINE DEVELOPMENTS  
LIMITED**

*(Incorporated in the British Virgin Islands  
with limited liability)*



**GLOBAL TECH (HOLDINGS) LIMITED**

**耀科國際（控股）有限公司\***

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

**(Hong Kong Stock Code: 143)**

**(Singapore Stock Code: G11)**

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO  
THE UNCONDITIONAL MANDATORY CASH OFFER BY  
ALTUS INVESTMENTS LIMITED AND YICKO SECURITIES LIMITED  
FOR AND ON BEHALF OF  
ROAD SHINE DEVELOPMENTS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES OF  
GLOBAL TECH (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

**Financial Adviser to the Offeror**

**ALTUS CAPITAL LIMITED**

**Independent Financial Adviser**

**Nuada Limited**

*Corporate Finance Advisory*

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this Composite Document.

A letter from Altus Investments and Yicko, containing, among other things, details of the Offer is set out on pages 7 to 16 of this Composite Document. A letter from the Independent Board Committee of the Company to the Independent Shareholders of the Company is set out on pages 23 to 24 of this Composite Document. A letter from Nuada containing its opinion and advice to the Independent Board Committee of the Company is set out on pages 25 to 43 of this Composite Document.

The procedures for acceptance and other information relating to the Offer are set out in Appendix I — “Further Terms of the Offer” to this Composite Document and in the accompanying relevant Acceptance Forms. Acceptances of the Offer should be received by Registrar HK, Registrar SG and/or CDP (as the case may be) in accordance with those procedures no later than 4:00 p.m. on Wednesday, 24 February 2016 or such later time and/or date as the Offeror may decide and announce, with the consent of the Executive, in accordance with the Takeovers Code.

Persons receiving copies of this Composite Document, the relevant Acceptance Forms and any related documents, including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward such documents to any jurisdiction outside of Hong Kong and Singapore, should read the details in this regard which are contained in paragraph 9 of Appendix I — “Further Terms of the Offer” to this Composite Document before taking any action. It is the sole responsibility of each Overseas Shareholder and Overseas Shareholder (Singapore) wishing to accept an Offer to satisfy himself, herself or itself as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including but not limited to the obtaining of any governmental, exchange control or other consents which may be required and the compliance with other necessary formalities or regulatory or legal requirements and the payment of any transfer or other taxes or duties due by the accepting Shareholders in respect of such jurisdiction. Overseas Shareholders and Overseas Shareholders (Singapore) are advised to seek professional advice on deciding whether or not to accept the Offer.

\* For identification purpose only

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## EXPECTED TIMETABLE

**The timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made as and when appropriate.**

Despatch date of this Composite Document and the accompanying Acceptance Forms and commencement date for the Offer .....	Wednesday, 3 February 2016
Latest time and date for acceptance of the Offer ( <i>Note 1</i> ).....	4:00 p.m. on Wednesday, 24 February 2016
Closing Date ( <i>Note 1</i> ) .....	Wednesday, 24 February 2016
Announcement of the results of the Offer and the level of acceptances (or its extension or revision, if any) as at the Closing Date to be posted on the Stock Exchange's website and the Singapore Exchange's website ( <i>Note 1</i> ) .....	Wednesday, 24 February 2016
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offer ( <i>Note 2</i> ).....	Friday, 4 March 2016

*Notes:*

The Offer, which is unconditional, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until the Closing Date.

1. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days following the date on which this Composite Document is posted. The Offer will be closed for acceptance at 4:00 p.m. on Wednesday, 24 February 2016. Acceptances of the Offer are irrevocable and are not capable of being withdrawn, except in the circumstances as set out in the section headed "Right of withdrawal" in Appendix I to this Composite Document.
2. A cheque for the amount due to each Shareholder (or in the case of Singapore Shareholders, a demand draft denominated in HK\$ drawn on a bank in Hong Kong for the appropriate amount) who validly accepts the Offer (less sellers' ad valorem stamp duty payable for the Offer Shares tendered by him or her under the Offer) will be despatched to the accepting Shareholder by ordinary post at his or her own risk as soon as possible but in any event within seven Business Days following the Date of Receipt.

**All time and date references contained in this Composite Document and the accompanying relevant Acceptance Form(s) refer to Hong Kong and Singapore time and date.**

## DEFINITIONS

*In this Composite Document, the following expressions have the following meanings unless the context requires otherwise:*

“Acceptance Forms”	the FAT HK, FAT SG and FAA SG;
“acting in concert”	has the same meaning ascribed to it under the Takeovers Code;
“Altus Capital”	Altus Capital Limited, a corporation licensed by SFC to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, which is appointed as the financial adviser to the Offeror in respect of the Offer;
“Altus Investments”	Altus Investments Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activity under the SFO, being one of the agents making the Offer on behalf of the Offeror;
“associate”	has the same meaning ascribed to it under the Takeovers Code;
“Board”	the board of Directors;
“Business Day”	a day on which the Stock Exchange is open for the transaction of business;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“CDP”	The Central Depository (Pte) Limited of Singapore;
“CITIC Guoan Group”	中信國安集團有限公司(CITIC Guoan Group*), a company established in the PRC with limited liability and the immediate holding company of Guoan (HK);
“Closing Date”	Wednesday, 24 February 2016, the closing date of the Offer or such other later date revised or extended by the Offeror, with the consent of the Executive, in accordance with the Takeovers Code;
“Company”	Global Tech (Holdings) Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Hong Kong Stock Code: 143) and which has a secondary listing on the Mainboard of the Singapore Exchange (Singapore Stock Code: G11);

## DEFINITIONS

“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement;
“Composite Document”	this composite offer and response document jointly issued by the Offeror and the Company in connection with the Offer in accordance with the Takeovers Code containing, amongst other things, detailed terms of the Offer;
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Date of Receipt”	the date of receipt by Registrar HK, Registrar SG or CDP, on behalf of the Offeror, of the relevant duly completed Acceptance Form(s) and all related documents, as the case may be;
“Despatch Date”	Wednesday, 3 February 2016, being the date of posting of this Composite Document;
“Directors”	directors of the Company, and the term “Director” shall be construed accordingly;
“Electronic Acceptance”	the SGX-SSH Service provided by CDP as listed in Schedule 3 of the Terms and Conditions for User Services for Depository Agents in Singapore;
“Encumbrances”	any security interest, claim, restriction, interest, charge, right of first refusal, right of pre-emption, mortgage, pledge or lien of any nature or other kind of third party rights;
“Executive”	the Executive Director of the Corporate Finance Division of the SFC from time to time and any delegate of such Executive Director;
“FAA SG”	Form of Acceptance and Authorisation, as applicable to Singapore Shareholders whose Shares are deposited with CDP;
“FAT HK”	Form of Acceptance and Transfer for Offer Shares, as applicable to Hong Kong Shareholders;
“FAT SG”	Form of Acceptance and Transfer for Offer Shares, as applicable to Singapore Shareholders whose Shares are not deposited with CDP;
“Group”	the Company and its subsidiaries;

## DEFINITIONS

“Guoan (HK)”	Guoan (HK) Holdings Limited, a company incorporated in Hong Kong with limited liability and the immediate holding company of the Offeror;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Hong Kong Shareholders”	Shareholders whose Offer Shares are registered on the branch register of members of the Company maintained in Hong Kong;
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON, which was established to advise the Independent Shareholders in relation to the terms of the Offer and its acceptance;
“Independent Financial Adviser” or “Nuada”	Nuada Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee in connection with the Offer;
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it;
“Joint Announcement”	the announcement dated 18 December 2015 jointly issued by the Offeror and the Company in relation to, among other things, the Sale and Purchase Agreement and the Offer;
“Last Trading Day”	11 December 2015, being the last full trading day for the Shares prior to the suspension of trading in the Shares on the Stock Exchange and the Singapore Exchange pending the release of the Joint Announcement;
“Latest Practicable Date”	Friday, 29 January 2016, being the latest practicable date prior to the printing of this Composite Document for the purposes of ascertaining certain information for inclusion in this Composite Document;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

## DEFINITIONS

“Offer”	the unconditional mandatory cash offer jointly made by Altus Investments and Yicko for and on behalf of the Offeror to acquire all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code;
“Offer Period”	the period commencing from 30 November 2015 (being the date of the initial announcement of the Company in respect of the possible change in control of the Company) to 4:00 p.m. on the Closing Date, or such other time and/or date to which the Offeror may decide to extend or revise the Offer in accordance with the Takeovers Code;
“Offer Price”	HK\$0.11615 in cash per Offer Share;
“Offer Share(s)”	all the Share(s) in issue, other than those Shares already owned by the Offeror and parties acting in concert with it;
“Offeror”	Road Shine Developments Limited, a company incorporated in the British Virgin Islands with limited liability;
“Overseas Shareholder(s)”	the Shareholder(s) whose address(es), as shown on the register of members of the Company, is/are outside Hong Kong;
“Overseas Shareholder(s) (Singapore)”	Singapore Shareholder(s) whose address(es) is/are outside of Singapore as shown in the branch register of members of the Company maintained by Registrar SG or, as the case may be, in the records of CDP;
“PRC”	the People’s Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan;
“Registrar HK”	Tricor Abacus Limited, the branch share registrar and transfer office of the Company in Hong Kong, being the agent to receive the FAT HK;
“Registrar SG”	Boardroom Corporate & Advisory Services Pte. Ltd., the branch share registrar and transfer office of the Company in Singapore, being the agent to receive the FAT SG;
“Relevant Period”	the period from 30 May 2015, being the date falling six months before the date of the commencement of the Offer Period, up to and including the Latest Practicable Date;
“S\$”	Singapore dollars, the lawful currency of Singapore;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 14 December 2015 entered into between the Vendor and the Offeror for the sale and purchase of the Sale Shares;

## DEFINITIONS

“Sale Share(s)”	2,737,970,000 Shares, legally and beneficially owned by the Vendor immediately prior to Completion, representing approximately 53.00% of the total issued share capital of the Company as at the Latest Practicable Date;
“Securities Account”	a securities account maintained by a Depositor with CDP, but does not include a securities sub-account;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“SGX-ST” or “Singapore Exchange”	The Singapore Exchange Securities Trading Limited;
“SGX-ST Listing Manual”	the listing manual of the SGX-ST (as amended, supplemented or otherwise modified from time to time);
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company;
“Shareholder(s)”	holders of Shares and the term “Shareholder” shall be construed accordingly;
“Singapore Shareholders”	Shareholders whose Offer Shares are registered (i) on the register of members of the Company maintained by Registrar SG or (ii) on the Depository Register maintained by CDP, as the case may be;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers;
“Vendor”	Optimum Pace International Limited, a company incorporated in the British Virgin Islands, the ordinary issued share of which is held by Fiduco Trust Management AG (formerly known as LGT Trust Management Limited) as trustee of the Optimum Pace Trust, a discretionary trust, the discretionary objects include the family members of Mr. SY Ethan, Timothy, an executive Director;
“Yicko”	Yicko Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO, being one of the agents making the Offer on behalf of the Offeror;
“%”	per cent.



## DEFINITIONS

*Notes:*

1. All time and date references contained in this Composite Document refer to Hong Kong and Singapore time and date.
2. In this Composite Document, amounts denominated in S\$ have been converted to HK\$ at the rate of HK\$1.00 to S\$0.1829 for the purpose of illustration. Such exchange rates are for illustration purpose only and do not constitute representations that any amount in HK\$ or S\$ has been, could have been or may be converted at such rate.
3. Certain amounts and percentage figures in this Composite Document have been subject to rounding adjustments.
4. Certain English translations of Chinese names or words or Chinese translations of English names or words in this Composite Document are included for information and identification purposes only and should not be regarded as the official English translation of such Chinese names or words or Chinese translation of such English names or words, respectively.
5. The singular includes the plural and vice versa, unless the context otherwise requires.
6. References to any Appendix, paragraph and any sub-paragraphs of them are references to the Appendices to, and paragraphs of, this Composite Document and any sub-paragraphs of them respectively.
7. References to any statute or statutory provision include a statute or statutory provision which amends, consolidates or replaces the same whether before or after the date of this Composite Document.
8. Reference to one gender is a reference to all or any genders.
9. The expressions “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Chapter 289 of Singapore.

ALTUS.

Altus Investments Limited  
21 Wing Wo Street  
Central  
Hong Kong



19th Floor Tung Ning Building  
125–127 Connaught Road Central  
Hong Kong

3 February 2016

*To the Shareholders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFER BY  
ALTUS INVESTMENTS LIMITED AND YICKO SECURITIES LIMITED  
FOR AND ON BEHALF OF ROAD SHINE DEVELOPMENTS LIMITED  
TO ACQUIRE ALL THE ISSUED SHARES IN  
GLOBAL TECH (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY ROAD SHINE  
DEVELOPMENTS LIMITED AND PARTIES  
ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

Reference is made to the Joint Announcement. Immediately following the Completion on 14 December 2015, the Offeror and the parties acting in concert with it are interested in 2,737,970,000 Shares, representing approximately 53.00% of the existing issued ordinary share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all issued Shares (other than those already owned by the Offeror and parties acting in concert with it).

This letter, together with Appendix I to this Composite Document and the accompanying Acceptance Forms, sets out, among other things, the terms and other details of the Offer, information of the Offeror and the intention of the Offeror regarding the Group. Terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Shareholders are strongly advised to consider carefully the information contained in the Letter from the Board, the Letter from the Independent Board Committee and the Letter from Nuada as set out in this Composite Document.

## LETTER FROM ALTUS INVESTMENTS AND YICKO

### THE OFFER

Altus Investments and Yicko hereby jointly make the Offer on behalf of the Offeror for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code at the following Offer Price:

**For each Share held ..... HK\$0.11615 in cash**

The Offer Price of HK\$0.11615 (rounded up to 5 decimal places) per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror under the Sale and Purchase Agreement.

The Offer is unconditional in all respects and is therefore not conditional upon any minimum level of acceptances being received nor subject to any other conditions and the Offer is required to be open for acceptances for at least 21 days following the date on which this Composite Document is posted.

The Offeror does not intend to revise the terms of the Offer, increase the Offer Price or extend the latest time for acceptance of the Offer, and does not reserve the right to do so. The Offeror will not be allowed to extend the Offer Period beyond the stated date and increase the Offer Price save in wholly exceptional circumstance as provided for in Rules 18.2 and 18.3 of the Takeovers Code and your attention is therefore drawn to the expected timetable set out in the section headed “Expected timetable” of this Composite Document.

The Offer, subject to the terms set out in this Composite Document, is also open for acceptance by the Independent Shareholders whose Shares are traded on the Singapore Exchange. As the Company’s primary listing is not on the Singapore Exchange, and as it is not a Singapore incorporated public company, the Singapore Code on Take-overs and Mergers will not apply to the Offer.

The Offer Price of HK\$0.11615 per Offer Share represents:

- (i) a premium of approximately 2.79% to the closing price of HK\$0.11300 per Share as quoted on the Stock Exchange on 27 November 2015, being the last Business Day prior to the commencement of the Offer Period on 30 November 2015;
- (ii) a discount of approximately 7.08% to the last trading price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day, being the day immediately before trading in the Shares was suspended on 14 December 2015;
- (iii) a discount of approximately 9.68% to the average closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$0.12860 per Share;
- (iv) a discount of approximately 7.30% to the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.12530 per Share;

## LETTER FROM ALTUS INVESTMENTS AND YICKO

- (v) a discount of approximately 3.83% to the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.12077 per Share;
- (vi) a premium of approximately 25 times over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.00447 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 September 2015, the date to which the latest audited financial results of the Group were made up; and
- (vii) a discount of approximately 48.15% to the closing price of HK\$0.224 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

### HIGHEST AND LOWEST SHARE PRICE

During the Relevant Period, being the date of the Company's announcement made pursuant to Rule 3.7 of the Takeovers Code in relation to the possible disposal of Shares by the Vendor and ending on the Latest Practicable Date:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.500 per Share on 4 January 2016; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.058 per Share on 8 July 2015.

### TOTAL VALUE FOR THE OFFER

As at the Latest Practicable Date, there are 5,165,973,933 Shares in issue. Based on the Offer Price of HK\$0.11615, the entire issued share capital of the Company is valued at approximately HK\$600,027,872. As the Offeror is interested in 2,737,970,000 Shares immediately after Completion, 2,428,003,933 Shares will be subject to the Offer and the Offer is valued at approximately HK\$282,012,657 based on the Offer Price of HK\$0.11615. There is no other convertible or exchangeable securities of the Company outstanding as at the Latest Practicable Date.

### FINANCIAL RESOURCES AVAILABLE FOR THE OFFER

The amount of the funds required for payment for the consideration in the aggregate sum of HK\$282,012,657 in respect of the full acceptances of the Offer by the Offeror will be financed from internal resources of the Offeror. Altus Capital is satisfied that there are sufficient financial resources available to the Offeror to satisfy the amount of funds required for payment for the consideration in respect of the full acceptances of the Offer.

### EFFECT OF ACCEPTING THE OFFER

Acceptance of the Offer by any Independent Shareholder will be deemed to constitute a warranty by such person that all Shares sold by such person under the Offer are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including,

## LETTER FROM ALTUS INVESTMENTS AND YICKO

without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offer is made, being the date of the posting of this Composite Document.

Acceptance of the Offer would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code. The procedure for accepting and further terms of the Offer are set out in Appendix I to this Composite Document.

### **STAMP DUTY**

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Independent Shareholders or, if higher, the market value of the Offer Shares subject to such acceptances, will be deducted from the amount payable to those Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in Singapore on the transfer of scripless securities through the book entry securities system maintained by CDP.

### **TAX IMPLICATIONS**

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Altus Capital, Altus Investments and Yicko, and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

### **SETTLEMENT OF THE CONSIDERATION**

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or the branch share registrar and transfer office of the Company in Hong Kong, the branch share registrar and transfer office of the Company in Singapore, or CDP) to render each such acceptance complete and valid. Settlement of the amounts due to the Shareholders who accept the Offer will be implemented in full in accordance with the terms of the Offer without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholders.

## LETTER FROM ALTUS INVESTMENTS AND YICKO

### COMPULSORY ACQUISITION

The Offeror does not intend to exercise any right which may be available to it to compulsorily acquire any outstanding Offer Shares not acquired under the Offer after the close of the Offer.

### DEALING IN SECURITIES OF THE COMPANY

Save for the Sale Shares, none of the Offeror, its ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of commencement of the Offer Period on 30 November 2015.

As at the Latest Practicable Date, save for the Sale and Purchase Agreement, the Offeror, its ultimate beneficial owners, nor parties acting in concert with any of them have not entered into any arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares nor have any of them borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company. As at the Latest Practicable Date, the Offeror and parties acting in concert with it do not own or control any Shares (other than the Sale Shares), options, derivatives, warrants or other securities convertible into the Shares of the Company.

### INFORMATION ON THE GROUP

Details of the information on the Group are set out in the Letter from the Board of this Composite Document. Financial information on the Group is set out in Appendix II to this Composite Document.

### INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands. It is, through Guoan (HK) Holdings Limited, indirectly owned by 中信國安集團有限公司 (CITIC Guoan Group\*), a company which is held as to approximately 20.945%, 19.764%, 17.787%, 15.811%, 15.811% and 9.882% by 中國中信集團有限公司 (Citic Group Corporation\*), 黑龍江鼎尚裝修工程有限公司 (Heilongjiang Ding Shang Constructions Company Limited\*), 北京合盛源投資管理有限公司 (Beijing Heshengyuan Investment Management Company Limited\*), 瑞煜(上海)股權投資基金合夥企業(有限合夥) (Ruiyu (Shanghai) Equity Investment Fund Limited Partnership\*), 共和控股有限公司 (Gong He Holdings Limited\*) and 天津市萬順置業有限公司 (Tianjin Municipality Wan Shun Properties Company Limited\*), respectively.

CITIC Guoan Group's scope of business comprises, inter alia, telecommunication, energy, properties development, property management, asset management, etc. Its revenue for the year ended 31 December 2014 amounted to approximately RMB67.2 billion, and it had net assets of approximately RMB24.7 billion as at 31 December 2014.

## LETTER FROM ALTUS INVESTMENTS AND YICKO

As at the Latest Practicable Date,

- (i) The board of directors of the Offeror comprises 夏桂蘭 (XIA Guilan\*), 李建一 (LI Jianyi\*) and 杜軍 (DU Jun\*).
- (ii) The board of directors of Guoan (HK) Holdings Limited comprises 李士林 (LI Shilin\*), 羅寧 (LUO Ning\*), 夏桂蘭 (XIA Guilan\*), 李建一 (LI Jianyi\*), 劉鑫 (LIU Xin\*), 張建昕 (ZHANG Jianxin\*) and 劉基輔 (LIU Jifu\*).
- (iii) The board of directors of 中信國安集團有限公司 (CITIC Guoan Group\*) comprises 李士林 (LI Shilin\*), 羅寧 (LUO Ning\*), 李榮祥 (LI Rongxiang\*), 夏桂蘭 (XIA Guilan\*), 李建一 (LI Jianyi\*), 關衛東 (GUAN Weidong\*), 李震濤 (LI Zhentao\*), 毛德一 (MAO Deyi\*), 陳釗 (CHEN Zhao\*), 李奇文 (LI Qiwen\*), 關鑫 (GUAN Xin\*), 張岩 (ZHANG Yan\*) and 白少良 (BAI Shaoliang\*).

The Offeror and its ultimate beneficial owners are third parties independent of, and not acting in concert with, the Vendor. Immediately preceding Completion, none of the Offeror, its intermediate holding companies or its ultimate beneficial owners owned any Shares.

### REASONS FOR THE OFFER AND INTENTION OF THE OFFEROR IN RELATION TO THE COMPANY

The Offer is made to comply with the requirements of the Takeovers Code because following Completion, the Offeror holds an aggregate of 2,737,970,000 Shares, representing approximately 53.00% of the total number of Shares as at the Latest Practicable Date.

The Offeror and its affiliates together are an investment and business conglomerate which invests and operates in many industries. The Offeror considers the principal business of the Company to be compatible with the business of the Offeror and its affiliates. The Offeror intends to leverage on the Hong Kong presence of the Company to develop their business. To this end, the Offeror will review the operations of the Company as further discussed below. The Offeror considers the Offer to be in its and the Company's long term commercial interest.

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group and will maintain the listing status of the Company on the Main Board of the Stock Exchange and on the Mainboard of the Singapore Exchange.

With regard to the current financial situation of the Group, subject to further due diligence, the Offeror will conduct a review of the business activities and assets of the Group for the purpose of developing a strategic business plan for the Group. Subject to the results of the review and due diligence results, and should suitable investment or business opportunities arise, the Offeror may procure the Company to conduct equity and/or debt financing following the close of the Offer in order to improve the financial position of the Group. Furthermore, the Offeror also intends to identify investment opportunities to improve financial prospects of the Group. Before formulating any long-term business plans and strategies of the Company such as considering whether any asset disposals, asset acquisitions, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company, the Offeror will have to conduct a further



## LETTER FROM ALTUS INVESTMENTS AND YICKO

review on the then financial position and the operations of the Company. Should any corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules and the SGX-ST Listing Manual.

As at the Latest Practicable Date, no such investment or business opportunities had been confirmed nor had the Offeror entered into any agreement or arrangement in relation to the injection of any assets or business into the Group. Further, as at the Latest Practicable Date, the Offeror had no intention to (i) discontinue the employment of the employees of the Group (save for the change in the composition of the Board); or (ii) re-deploy the fixed assets of the Group other than those in its ordinary course of business.

The intentions of the Offeror for the Company as set out in this section are based on current views and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror. There is no assurance that the current intentions will be carried into effect, and the Offeror retains the flexibility at any time to consider any options in relation to the Company which may present themselves and which the Offeror may regard to be in the interest of the Offeror or the Company.

### **PROPOSED CHANGE OF THE BOARD COMPOSITION**

The Board is currently made up of six Directors, comprising (i) two executive Directors, namely Mr. SY Ethan, Timothy and Mr. SUNG Yee Keung, Ricky; (ii) a non-executive Director, namely Mr. KO Wai Lun, Warren; and (iii) three independent non-executive Directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON.

The Offeror intends to nominate the following new Directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code.

#### **Mr. HUANG Zhen Qian (“Mr. HUANG”)**

Mr. HUANG, aged 55, is an experienced businessman in the PRC. During the period from October 2000 to March 2015, Mr. HUANG worked in 中信網絡有限公司深圳分公司 (CITIC Networks Limited — Shenzhen Branch\*), a wholly-owned subsidiary under 中國中信集團有限公司(CITIC Group Corporation\*), in the capacity of general manager and was responsible for managing the operation of the Shenzhen Branch including budgeting, development, operations and strategy in the region of southern and eastern Guangdong as well as liaising with corresponding governmental departments. Since 2009, Mr. HUANG has been acting as deputy managing director (副董事長) of Guoan (HK) Holdings Limited, the immediate holding company of the Offeror.

#### **Mr. SO Haw, Herman (“Mr. SO”)**

Mr. SO, aged 34, is a holder of a Master Degree of Business Administration at the Hong Kong University of Science and Technology. Mr. SO has experiences in banking services, commercial and residential real estate investment and development, developments and operations in information technology industry, mergers and acquisitions and general



## LETTER FROM ALTUS INVESTMENTS AND YICKO

management. Mr. SO had worked in China Construction Bank (Asia) Corp. Ltd., Hong Kong for more than three and a half years. Subsequently, Mr. SO took up the role as a director in a private business group specialised in real estate development projects and investment in Hong Kong and the PRC. For the period from June 2011 to August 2015, Mr. SO was an executive director of Gold Tat Group International Limited (stock code: 8266), engaging in the businesses of information technology and electronic parts trading.

Further announcement will be published by the Company in respect of the changes to the Board pursuant to Rule 13.51(2) of the Listing Rules as and when appropriate.

### **MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Offeror intends to maintain the listing of the Shares on both the Stock Exchange and the Singapore Exchange after the close of the Offer and each of the Offeror, the directors of the Offeror and the proposed directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored. The Offeror does not intend to exercise its right which allows it to compulsorily acquire the remaining Shares after the close of the Offer.

As the Company and the Offeror are unable to ascertain at this stage the level of acceptances by the holders of Shares under the Offer, the aforesaid parties have not decided the exact steps/actions that will be taken by them after the close of the Offer to restore the public float of the Shares, if required. Notwithstanding this, the Company and the Offeror consider that the appropriate actions to be taken shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of new Shares by the Company for this purpose. The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

### **DEALING DISCLOSURE**

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of the Company and the Offeror are reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

## LETTER FROM ALTUS INVESTMENTS AND YICKO

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### *“RESPONSIBILITIES OF STOCKBROKERS, BANKS AND OTHER INTERMEDIARIES*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7-day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

### **OVERSEAS SHAREHOLDERS**

The availability of the Offer to any Overseas Shareholders and Overseas Shareholders (Singapore) may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Shareholders (Singapore) should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders and Overseas Shareholders (Singapore) who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Shareholders (Singapore) in respect of such jurisdictions. The Offeror, the Company, Altus Investments, Yicko, Altus Capital, Nuada, Registrar HK, Registrar SG, CDP and any person involved in the Offer shall be entitled to be fully indemnified and held harmless by you for any taxes, imposts, duties or requisite payment as you may be required to pay.

Any acceptance by any Overseas Shareholders and Overseas Shareholders (Singapore) will be deemed to constitute a representation and warranty from such Overseas Shareholders and Overseas Shareholders (Singapore) to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and Overseas Shareholders (Singapore) should consult their professional advisers if in doubt.

## LETTER FROM ALTUS INVESTMENTS AND YICKO

### FURTHER TERMS OF THE OFFER

Further terms and conditions of the Offer, including, among other things, procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I to this Composite Document and the Acceptance Forms.

### GENERAL

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold the Shares as nominees for more than one beneficial owner, should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

All documents and remittances sent to the Shareholders by ordinary post will be sent to them at their own risk. Such documents and remittances will be sent to the Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Shareholders, to the Shareholder whose name appears first in the register of members of the Company. None of the Company, the Offeror, Altus Capital, Altus Investments, Yicko Securities, Registrar HK, Registor SG or CDP or any of their respective directors or professional advisers or other parties involved in the Offer will be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof.

### ADDITIONAL INFORMATION

The Independent Shareholders are strongly encouraged and advised to read the Composite Document carefully, including the Letter from the Board, the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned, and to consult their professional advisers as they see fit and necessary, before deciding whether or not to accept the Offer. Your attention is further drawn to the additional information set out in the Appendices to this Composite Document, which form part of this Composite Document.

Yours faithfully,  
For and on behalf of  
**Altus Investments Limited**  
**Chang Sean Pey**  
*Executive Director*

Yours faithfully,  
For and on behalf of  
**Yicko Securities Limited**  
**Chong Chin**  
*Chairman & Executive Director*

LETTER FROM THE BOARD



**GLOBAL TECH (HOLDINGS) LIMITED**

**耀科國際（控股）有限公司\***

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

**(Hong Kong Stock Code: 143)**

**(Singapore Stock Code: G11)**

*Executive Directors:*

Mr. SY Ethan, Timothy

*Chairman and Chief Executive Officer*

Mr. SUNG Yee Keung, Ricky

*Non-executive Director:*

Mr. KO Wai Lun, Warren

*Independent Non-executive Directors:*

Mr. Andrew David ROSS

Mr. Geoffrey William FAWCETT

Mr. Charles Robert LAWSON

*Registered office:*

P.O. Box 309

Ugland House

George Town

Grand Cayman KY1-1104

Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

2903 Prosperity Place

6 Shing Yip Street

Kwun Tong

Kowloon

Hong Kong

3 February 2016

*To the Independent Shareholders*

Dear Sirs,

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO  
THE UNCONDITIONAL MANDATORY CASH OFFER BY  
ALTUS INVESTMENTS LIMITED AND YICKO SECURITIES LIMITED  
FOR AND ON BEHALF OF  
ROAD SHINE DEVELOPMENTS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES OF  
GLOBAL TECH (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

**INTRODUCTION**

In the Joint Announcement, the Offeror and the Company jointly announced, among other things that on 14 December 2015, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Vendor to acquire the Sale Shares from the Vendor for a total cash consideration of HK\$318,000,000 (equivalent to approximately HK\$0.11615 per Sale Share). The Sale Shares represent approximately 53.00% of the issued ordinary share capital of the Company as at the Latest Practicable Date.

\* For identification purpose only

## LETTER FROM THE BOARD

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Andrew David ROSS, Mr. Geoffrey William FAWCETT and Mr. Charles Robert LAWSON, has been established to advise the Independent Shareholders as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The above-named independent non-executive Directors have no direct or indirect interest or involvement in the Offer. It is considered appropriate for them to be members of the Independent Board Committee in this regard. Mr. KO Wai Lun, Warren, a non-executive Director, is not a member of the Independent Board Committee as Mr. KO is considered to have interests in the Offer. He is also involved in the Offer as he is a partner of the firm of solicitors acting for the Offeror in connection with the Offer. The Independent Board Committee has appointed Nuada as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and in particular as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

The purpose of this Composite Document is to provide you with, among other things, information relating to the Group, the Offeror and parties acting in concert with it and the Offer as well as setting out the Letter from the Independent Board Committee containing its recommendation to the Independent Shareholders in respect of the Offer and the Letter from Nuada containing its advice to the Independent Board Committee in respect of the Offer.

### THE OFFER

As at the Latest Practicable date, there are 5,165,973,933 Shares in issue and the Company has no other outstanding Shares, warrants, options, derivatives or securities that are convertible or exchangeable into Shares or other types of equity interest in the Company. It has not entered into any agreement for the issue of such securities, options, derivatives or warrants of the Company.

According to the “Letter from Altus Investments and Yicko” contained in this Composite Document, Altus Investments and Yicko, on behalf of the Offeror, are jointly making the Offer in accordance with the Takeovers Code on the following basis:

Offer: For each Offer Share HK\$0.11615 in cash

The Offer Price of HK\$0.11615 per Offer Share is equal to the consideration per Sale Share of approximately HK\$0.11615 (rounded up to 5 decimal places) paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the posting of this Composite Document.

The Offer will also be open for acceptance by the Independent Shareholders whose Shares are traded on the Singapore Exchange. As the Company’s primary listing is not on the Singapore Exchange, and it is not a Singapore incorporated public company, the Singapore Code on Take-overs and Mergers will not apply to the offer.

## LETTER FROM THE BOARD

Further details of the Offer including, among other things, the terms of the Offer and the procedures for acceptance and settlement of the Offer, are contained in the “Letter from Altus Investments and Yicko” of this Composite Document, Appendix I to this Composite Document and the Acceptance Forms.

### Comparison of value

The Offer Price of HK\$0.11615 per Offer Share represents:

- (i) a premium of approximately 2.79% to the closing price of HK\$0.11300 per Share as quoted on the Stock Exchange on 27 November 2015, being the last Business Day prior to the commencement of the Offer Period on 30 November 2015;
- (ii) a discount of approximately 7.08% to the last trading price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day, being the day immediately before trading in the Shares was suspended on 14 December 2015;
- (iii) a discount of approximately 9.68% to the average closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$0.12860 per Share;
- (iv) a discount of approximately 7.30% to the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.12530 per Share;
- (v) a discount of approximately 3.83% to the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.12077 per Share;
- (vi) a premium of approximately 25 times over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.00447 per Share (based on the number of issued Shares as at the date of the Latest Practicable Date) as at 30 September 2015, the date to which the latest audited financial results of the Group were made up; and
- (vii) a discount of approximately 48.15% to the closing price of HK\$0.224 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

### Highest and lowest Share price

During the Relevant Period:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.500 per Share on 4 January 2016; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.058 per Share on 8 July 2015.

<b>LETTER FROM THE BOARD</b>
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## INFORMATION OF THE GROUP

The Company is incorporated in the Cayman Islands with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Shares have a secondary listing on the Singapore Exchange. Accordingly, in addition to the Offer being made in Hong Kong the Offer is also open for acceptances by the Independent Shareholders whose Shares are traded on the Singapore Exchange.

The Group is principally engaged in trading of telecommunications products, provision of repair services and investment in financial assets.

The following table is a summary of certain consolidated financial information of the Group for the two financial years ended 30 September 2015 respectively:

	<b>Year ended 30 September 2014 (audited) (HK\$'000)</b>	<b>Year ended 30 September 2015 (audited) (HK\$'000)</b>
Turnover	89,785	86,695
Gross profit	24,677	26,010
Profit/(loss) before taxation	(15,972)	(23,365)
Profit/(loss) for the year	(15,992)	(23,345)
	<b>As at 30 September 2014 (audited) (HK\$'000)</b>	<b>As at 30 September 2015 (audited) (HK\$'000)</b>
Net assets	40,631	23,095

Further details of the financial information of the Group are set out in Appendix II to this Composite Document.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company as at the Latest Practicable Date:

	<b>As at the Latest Practicable Date</b>	
	<i>Number of Shares held</i>	<i>Approximate % of Shares in issue</i>
The Offeror and parties acting in concert with it	2,737,970,000	53.00
The Vendor	<u>204,638,695</u>	<u>3.96</u>
Subtotal: The Directors	<u>2,942,608,695</u> <u>72,913,303</u>	<u>56.96</u> <u>1.41</u>
Subtotal: Public Shareholders	<u>3,015,521,998</u> <u>2,150,451,935</u>	<u>58.37</u> <u>41.63</u>
Total	<u><u>5,165,973,933</u></u>	<u><u>100.00</u></u>

### INFORMATION OF THE OFFEROR AND ITS INTENTION

Your attention is drawn to the sections headed “Information of the Offeror” and “Reasons for the Offer and the Intention of the Offeror in relation to the Company” in the “Letter from Altus Investments and Yicko” section of this Composite Document.

The Board has noted the intentions of the Offeror in respect of the Company and its employees, as disclosed under the section “Reasons for the Offer and the Intention of the Offeror in relation to the Company” in the “Letter from Altus Investments and Yicko” section of this Composite Document.

### MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

As set out in the “Letter from Altus Investments and Yicko” section of this Composite Document, the Offeror intends to maintain the listing of the Shares on both the Stock Exchange and the Singapore Exchange after the close of the Offer and each of the Offeror, the directors of the Offeror and the proposed directors to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.



## LETTER FROM THE BOARD

In the event that after the completion of the Offer, the public float of the Company falls below 25%, the Offeror and the Company will each undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offer to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored. The Offeror does not intend to exercise its right which allows it to compulsorily acquire the remaining Shares after the close of the Offer.

### RECOMMENDATION

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on pages 23 to 24 of this Composite Document which contains its recommendation to the Independent Shareholders in respect of the Offer, and the letter of advice from Nuada set out on pages 25 to 43 of this Composite Document, which contains, among other things, its advice to the Independent Board Committee in respect of the fairness and reasonableness of the Offer so far as the Independent Shareholders are concerned and as to acceptance thereof and the principal factors considered by it in arriving at its recommendation. You are also advised to read this Composite Document and the Acceptance Forms in respect of the acceptance and settlement procedures of the Offer.

### ADDITIONAL INFORMATION

In considering what action to take in connection with the Offer, the Independent Shareholders should consider their own tax positions and, if they are in any doubt, they should consult their professional advisers. You are recommended to read this Composite Document together with the Acceptance Forms for details of the Offer and the acceptance and settlement procedures of the Offer. Your attention is also drawn to the additional information contained in the Appendices to this Composite Document.

By order of the Board  
**Global Tech (Holdings) Limited**  
**SY Ethan, Timothy**  
*Chairman*

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

*The following is the text of a letter of the Independent Board Committee to the Independent Shareholders in respect of the Offer for inclusion in this Composite Document.*



### **GLOBAL TECH (HOLDINGS) LIMITED**

**耀科國際（控股）有限公司\***

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

**(Hong Kong Stock Code: 143)**

**(Singapore Stock Code: G11)**

*To the Independent Shareholders*

Dear Sirs,

**COMPOSITE OFFER AND RESPONSE DOCUMENT RELATING TO  
THE UNCONDITIONAL MANDATORY CASH OFFER BY  
ALTUS INVESTMENTS LIMITED AND YICKO SECURITIES LIMITED  
FOR AND ON BEHALF OF  
ROAD SHINE DEVELOPMENTS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES OF  
GLOBAL TECH (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY  
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

3 February 2016

#### **INTRODUCTION**

We refer to the Composite Document dated 3 February 2016 jointly issued by the Offeror and the Company, of which this letter forms part. Unless specified otherwise, capitalised terms used herein shall have the same meanings as those defined in the Composite Document.

We have been appointed to form the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to the acceptance of the Offer. Nuada has been appointed as the Independent Financial Adviser to advise us in this respect. Details of its advice and the principal factors taken into consideration in arriving at its recommendation are set out in the Letter from Nuada contained in this Composite Document. We also wish to draw your attention to the “Letter from Altus Investments and Yicko” contained in this Composite Document, the Letter from the Board and the additional information set out in the Appendices to this Composite Document.

*\*For identification purpose only*

**LETTER FROM THE INDEPENDENT BOARD COMMITTEE**

**RECOMMENDATION**

Taking into account the terms of the Offer and the advice from the Independent Financial Adviser in particular the factors, reasons and recommendations as set out in the Letter from Nuada, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and therefore we recommend the Independent Shareholders to accept the Offer.

Notwithstanding our recommendation, the Independent Shareholders should read the full text of the Letter from Nuada and consider carefully the terms of the Offer and then decide whether to accept or not to accept the Offer.

Yours faithfully,  
For and on behalf of the  
**Independent Board Committee**

**Mr. Andrew David ROSS**  
*Independent non-executive  
Director*

**Mr. Geoffrey William  
FAWCETT**  
*Independent non-executive  
Director*

**Mr. Charles Robert  
LAWSON**  
*Independent non-executive  
Director*

## LETTER FROM NUADA

*The following is the text of a letter of advice from Nuada Limited to the Independent Board Committee in respect of the Offer which has been prepared for the purpose of inclusion in this Composite Document.*

**Nuada Limited**  
*Corporate Finance Advisory*

Unit 1805–08, 18/F  
OfficePlus @Sheung Wan  
93–103 Wing Lok Street  
Sheung Wan, Hong Kong  
香港上環永樂街93–103號  
協成行上環中心18樓1805–08室

3 February 2016

*To the Independent Board Committee of  
Global Tech (Holdings) Limited*

Dear Sirs,

**UNCONDITIONAL MANDATORY CASH OFFER  
BY ALTUS INVESTMENTS LIMITED  
AND YICKO SECURITIES LIMITED  
FOR AND ON BEHALF OF  
ROAD SHINE DEVELOPMENTS LIMITED  
TO ACQUIRE ALL OF THE ISSUED SHARES OF  
GLOBAL TECH (HOLDINGS) LIMITED  
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR  
AND PARTIES ACTING IN CONCERT WITH IT)**

### INTRODUCTION

We refer to our appointment as the independent financial adviser under the Takeovers Code to advise the Independent Board Committee with respect to the Offer, details of which are set out in the composite offer and response document jointly issued by the Company and the Offeror dated 3 February 2016 (the “**Composite Document**”), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as ascribed to them in the Composite Document.

On 14 December 2015, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Vendor to acquire the Sale Shares from the Vendor for a total cash consideration of HK\$318,000,000 (equivalent to approximately HK\$0.11615 per Sale Share).

As at the date of the Joint Announcement, the Sale Shares, being 2,737,970,000 Shares, represent approximately 53.00% of the existing issued ordinary share capital of the Company. Completion took place immediately upon the signing of the Sale and Purchase Agreement.

## LETTER FROM NUADA

Immediately following Completion and as at the Latest Practicable Date, the Offeror and parties acting in concert with it are interested in 2,737,970,000 Shares, representing approximately 53.00% of the existing issued ordinary share capital of the Company, thereby triggering the mandatory general offer obligation under Rule 26.1 of the Takeovers Code. Altus Investments and Yicko, on behalf of the Offeror, are jointly making the Offer in accordance with the Takeovers Code.

The Independent Board Committee has been established under the Takeovers Code to give advice and recommendation to the Independent Shareholders in relation to the Offer, and has approved our appointment as the independent financial adviser under the Takeovers Code to advise the Independent Board Committee in this regard.

We are not associated or connected with the Company or the Offeror, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them and, accordingly, are considered eligible to give independent advice on the Offer. Apart from normal professional fees payable to us in connection with our appointment as independent financial adviser to the Independent Board Committee in respect of the Offer, no arrangement exists whereby we will receive any fees or benefits from the Company or the Offeror, their respective controlling shareholders or any party acting, or presumed to be acting, in concert with any of them.

### **BASIS OF OUR OPINION**

In formulating our opinion and recommendations, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Composite Document and provided to us by the Company, the Offeror, and their respective directors and management, which we have assumed to be true, accurate and complete at the time when they were made and continued to be true, accurate and complete up to the date of the Composite Document. We have also assumed that all statements of belief, opinion and intention made by the Board and the Offeror in the Composite Document were reasonably made after due enquiries and considerations. We have no reason to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading.

We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Composite Document to provide a reasonable basis for our opinions and recommendations. We have assumed that the information and documents reviewed and relied on by us in formulating our opinions are true, accurate and complete at the time when they were made and continued to be true, accurate and complete up to the date of the Composite Document. Having made all reasonable inquiries, the Board has confirmed that, to the best of its knowledge, there are no other facts or representations the omission of which would make any statement in the Composite Document, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Company, the Offeror and their

## LETTER FROM NUADA

respective directors and management, nor have we conducted any independent investigations into the business and affairs, financial condition and future prospects of the Group and/or the Offeror.

In formulating our advice, we have not considered the taxation implications on the Independent Shareholders arising from acceptances or non-acceptances of the Offer as these are particular to their individual circumstances. It is emphasised that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offer. In particular, the Independent Shareholders who are overseas residents or are subject to overseas taxation or Hong Kong taxation on securities dealings should consider their own tax position, and if in any doubt, should consult their own professional advisers.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our advice to the Independent Board Committee with respect to the Offer, we have considered the principal factors and reasons as set out below:

#### Business and financial information of the Group

The Group is principally engaged in trading of telecommunications products, provision of repair services and investments in financial assets. Set out below is a summary of the financial information of the Group for the three years ended 30 September 2015 as extracted from the relevant annual reports of the Company:

	<b>For the year ended 30 September 2015 ("FY2015") (audited) HK\$'000</b>	<b>For the year ended 30 September 2014 ("FY2014") (audited) HK\$'000</b>	<b>For the year ended 30 September 2013 ("FY2013") (audited) HK\$'000</b>
Turnover	86,695	89,785	110,548
Gross Profit	26,010	24,677	33,011
Profit/(Loss) before taxation	(23,365)	(15,972)	(40,105)
Profit/(Loss) attributable to Shareholders	(23,345)	(15,992)	12,888
	<b>As at 30 September 2015 (audited) HK\$'000</b>	<b>As at 30 September 2014 (audited) HK\$'000</b>	<b>As at 30 September 2013 (audited) HK\$'000</b>
Non-current assets	8,868	8,625	9,854
Current assets	31,077	40,801	57,514
Current liabilities	16,850	8,795	12,506
Non-current liabilities	—	—	—
Net current assets	14,227	32,006	45,008
Net assets	23,095	40,631	54,862

## LETTER FROM NUADA

For FY2015, the Group recorded audited turnover of approximately HK\$86,695,000, representing a decrease of approximately 3.44% as compared to approximately HK\$89,785,000 for FY2014 and approximately 21.58% as compared to approximately HK\$110,548,000 for FY2013. The revenue of the Group for FY2015 was mainly attributable to trading of telecommunications products and provision of repair services, both of which recorded decline as compared to the previous financial year. As advised by the Company, the decrease in revenue reflected a lower demand for smartphone upgrading services.

For FY2015, the Group recorded audited loss attributable to Shareholders of approximately HK\$23,345,000, representing an increase in loss of approximately 45.98% as compared to approximately HK\$15,992,000 million for FY2014. The increase in loss was mainly due to the increase in administrative and other operating expenses for FY2015. The profit attributable to Shareholders recorded for FY2013 was mainly attributable to the one-off write back of provision for taxation previously made by the Group.

According to the information published by the Information Services Department, Hong Kong Special Administrative Region Government (<http://www.gov.hk>) in December 2015 and on the website of the Office of the Communications Authority (the “OFCA”), The Government of Hong Kong Special Administrative Region (<http://www.ofca.gov.hk>), in September 2015, the number of mobile service subscribers in Hong Kong was 16.63 million, representing one of the highest penetration rates in the world at about 227.9%. According to the latest information available on the website of the OFCA, the number of mobile service subscribers in Hong Kong and the relevant penetration rates for each of the ten fiscal years from 2004/2005 to 2013/2014 and the latest published relevant figures in October 2015 are as follows:

	Fiscal years										As at
	2004/ 2005	2005/ 2006	2006/ 2007	2007/ 2008	2008/ 2009	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013/ 2014	October 2015
<b>Mobile service subscribers</b>											
(million)	8.21	8.69	9.36	10.75	11.58	12.59	13.79	15.29	16.39	17.10	16.54
<b>Penetration rate (%)</b>											
	118.8	124.8	135.4	154.4	165.7	178.9	194.2	215.3	228.4	236.8	226.6

*Note:* The relevant figures in October 2015 are the latest figures available on the website of OFCA. The relevant figures in other months of 2015 are no longer available on the website of OFCA under our search.

According to the updated information available on the website of the OFCA, the number of mobile service subscribers in Hong Kong in October 2015 was 16.54 million, representing a penetration rate of 226.6%. As noted from the above information, the number of mobile service subscribers in Hong Kong and the relevant penetration rates indicated an increasing trend for the ten fiscal years 2004/2005 to 2013/2014, while the latest published relevant figures in October 2015 slightly decreased as compared to that



## LETTER FROM NUADA

for fiscal year 2013/2014. Taking into account the relatively high penetration rate of mobile service subscribers in Hong Kong and the slight decrease in October 2015 as compared to that for fiscal year 2013/2014, we consider that the rooms for further increase in mobile service subscribers might be limited and the future prospects of the mobile consumer market is uncertain. Against the industrial backdrop, we note that the Group was loss-making for the latest three financial years with deteriorating revenue. We also note that the business of the Group may be subject to a number of risk factors, including but not limited to, the ever-changing economic environment and consumer market (in particular, the telecommunications/mobile phone market), possible increase in operating costs as well as market competition. As such, we consider that the future prospects of the Group is uncertain given the deteriorating revenue and the increase in loss for FY2015 mainly due to increase in administrative and other operating expenses.

As at 30 September 2015, the Group had net assets of approximately HK\$23,095,000 (with total assets of approximately HK\$39,945,000 and total liabilities of approximately HK\$16,850,000) and net current assets of approximately HK\$14,227,000 (with current assets of approximately HK\$31,077,000 and current liabilities of approximately HK\$16,850,000). As at 30 September 2015, (i) non-current assets of the Group amounted approximately HK\$8,868,000 (comprising property, plant and equipment of approximately HK\$2,918,000 and available-for-sale financial assets of approximately HK\$5,950,000) and current assets of the Group amounted to approximately HK\$31,077,000 (comprising inventories of approximately HK\$2,272,000, trade receivables of approximately HK\$1,309,000, prepayments, deposits and other receivables of approximately HK\$7,971,000, financial assets at fair value through profit or loss of approximately HK\$177,000, tax recoverable of approximately HK\$20,000, with pledged time deposits of approximately HK\$5,030,000 and cash and bank balances of approximately HK\$14,298,000); and (ii) current liabilities of the Group amounted to approximately HK\$16,850,000 (comprising trade payables of approximately HK\$4,339,000, accrued charges and other payables of approximately HK\$8,011,000 and secured bank borrowings of HK\$4,500,000) and the Group had nil non-current liabilities.

### **Offeror's intention on the Company**

As disclosed in the Composite Document, the Offeror, through Guoan (HK) Holdings Limited, is indirectly owned by 中信國安集團有限公司 (CITIC Guoan Group\*), a company which is held as to approximately 20.945%, 19.764%, 17.787%, 15.811%, 15.811% and 9.882% by 中國中信集團有限公司 (Citic Group Corporation\*), 黑龍江鼎尚裝修工程有限公司 (Heilongjiang Ding Shang Constructions Company Limited\*), 北京合盛源投資管理有限公司 (Beijing Heshengyuan Investment Management Company Limited\*), 瑞煜(上海)股權投資基金合夥企業(有限合夥) (Ruiyu (Shanghai) Equity Investment Fund Limited Partnership\*), 共和控股有限公司 (Gong He Holdings Limited\*) and 天津市萬順置業有限公司 (Tianjin Municipality Wan Shun Properties Company Limited\*), respectively. CITIC Guoan Group's scope of business comprises, inter alia, telecommunication, energy, properties development, property management, asset management, etc. Its revenue for the year ended 31 December 2014 amounted to



## LETTER FROM NUADA

approximately RMB67.2 billion, and it had net assets of approximately RMB24.7 billion as at 31 December 2014. For further details relating to the Offeror, please refer to the “Letter from Altus Investments and Yicko” in the Composite Document.

The Offeror and its affiliates together are an investment and business conglomerate which invests and operates in many industries. The Offeror considers the principal business of the Company to be compatible with the business of the Offeror and its affiliates. The Offeror intends to leverage on the Hong Kong presence of the Company to develop their business. To this end, the Offeror will review the operations of the Company as further discussed below. The Offeror considers the Offer to be in its and the Company’s long term commercial interest.

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group and will maintain the listing status of the Company on the Main Board of the Stock Exchange and on the Mainboard of the Singapore Exchange.

With regard to the current financial situation of the Group, subject to further due diligence, the Offeror will conduct a review of the business activities and assets of the Group for the purpose of developing a strategic business plan for the Group. Subject to the results of the review and due diligence results, and should suitable investment or business opportunities arise, the Offeror may procure the Company to conduct equity and/or debt financing following the close of the Offer in order to improve the financial position of the Group. Furthermore, the Offeror also intends to identify investment opportunities to improve financial prospects of the Group. Before formulating any long-term business plans and strategies of the Company such as considering whether any asset disposals, asset acquisitions, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance long-term growth potential of the Company, the Offeror will have to conduct a further review on the then financial position and the operations of the Company. Should any corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules and the SGX-ST Listing Manual.

As at the Latest Practicable Date, no such investment or business opportunities had been confirmed nor had the Offeror entered into any agreement or arrangement in relation to the injection of any assets or business into the Group. Further, as at the Latest Practicable Date, the Offeror had no intention to (i) discontinue the employment of the employees of the Group (save for the change in the composition of the Board); or (ii) re-deploy the fixed assets of the Group other than those in its ordinary course of business.

The intentions of the Offeror for the Company set out above as extracted from the “Letter from Altus Investments and Yicko” in the Composite Document are based on current views and involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Offeror. There is no assurance that the current intentions will be carried into effect, and the Offeror retains the flexibility at any time to consider any options in relation to the Company which may present themselves and which the Offeror may regard to be in the interest of the Offeror or the Company.

## LETTER FROM NUADA

The Offeror intends to nominate new Directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. Details of the proposed new Directors are set out in the Composite Document.

Notwithstanding the foregoing, Independent Shareholders should note that the intentions of the Offeror on the Group as mentioned above may or may not be implemented and/or materialised.

### **Maintenance of the listing status of the Company**

The Offeror intends to maintain the listing of the Shares on both the Stock Exchange and on the Singapore Exchange after the close of the Offer and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to maintain the 25% public float requirement under Rule 8.08 of the Listing Rules.

In the event that after the completion of the Offer, the public float of the Company falls below 25%, the Offeror and the Company will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offer to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored. The Offeror does not intend to exercise its right which allows it to compulsorily acquire the remaining Shares after the close of the Offer.

As the Company and the Offeror are unable to ascertain at this stage the level of acceptances by the holders of Shares under the Offer, the aforesaid parties have not decided the exact steps/actions that will be taken by them after the close of the Offer to restore the public float of the Shares, if required. Notwithstanding this, the Company and the Offeror consider that the appropriate actions to be taken shall include placing down of sufficient number of accepted Shares by the Offeror and/or issue of new Shares by the Company for this purpose.

The Company and the Offeror will issue a separate announcement as and when necessary in this regard.

### **Principal terms of the Offer**

Altus Investments and Yicko, on behalf of the Offeror, are jointly making the Offer in accordance with the Takeovers Code on the following basis:

## LETTER FROM NUADA

Offer: For each Offer Share HK\$0.11615 in cash

The Offer Price of HK\$0.11615 per Offer Share is equal to the consideration per Sale Share of approximately HK\$0.11615 (rounded up to 5 decimal places) paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the posting of the Composite Document.

The Offer will also be open for acceptance by Shareholders whose Shares are traded on the Singapore Exchange.

The Offer Price of HK\$0.11615 per Offer Share represents:

- (i) a premium of approximately 2.79% to the closing price of HK\$0.11300 per Share as quoted on the Stock Exchange on 27 November 2015, being the last Business Day prior to the commencement of the Offer Period on 30 November 2015;
- (ii) a discount of approximately 7.08% to the last trading price of HK\$0.125 per Share as quoted on the Stock Exchange on the Last Trading Day, being the day immediately before trading in the Shares was suspended on 14 December 2015;
- (iii) a discount of approximately 9.68% to the average closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$0.12860 per Share;
- (iv) a discount of approximately 7.30% to the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.12530 per Share;
- (v) a discount of approximately 3.83% to the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.12077 per Share;
- (vi) a discount of approximately 48.15% to the closing price of HK\$0.224 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vii) a premium of approximately 25 times over the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.00447 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 September 2015, the date to which the latest audited financial results of the Group were made up.

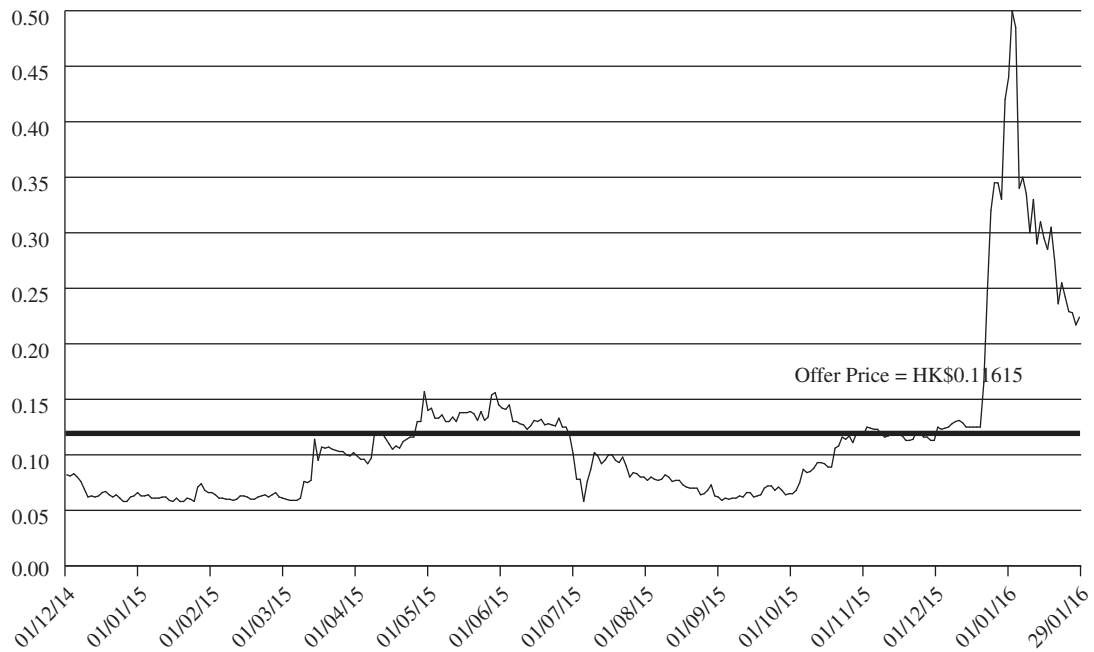
## LETTER FROM NUADA

### *Historical Share price performance*

The graphs below illustrates the closing price level of the Shares on the Stock Exchange and the Singapore Exchange respectively during the period from 1 December 2014 to 29 January 2016 (being the 12 full calendar months period prior to the date of the Joint Announcement and thereafter up to the Latest Practicable Date) (the “**Review Period**”).

#### *(a) On the Stock Exchange*

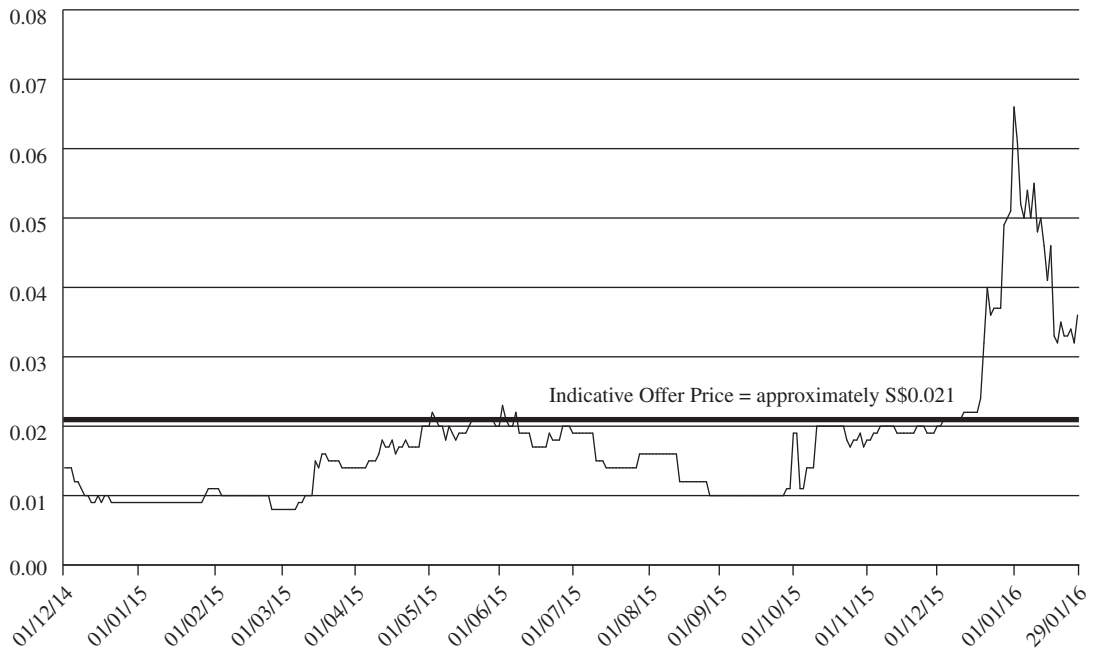
Closing price per Share (HK\$)



## LETTER FROM NUADA

### (b) On the Singapore Exchange

Closing price per Share (S\$)



*Note:* Trading in the Shares on the Stock Exchange and the Singapore Exchange was suspended on 30 November 2015 and from 14 December 2015 to 17 December 2015.

*Online data source:* <http://www.hkex.com.hk> and <https://hk.finance.yahoo.com>

During the Review Period, the closing price of the Shares on the Stock Exchange ranged from the lowest of HK\$0.05800 per Share (recorded on 23 December 2014, 24 December 2014, 15 January 2015, 19 January 2015, 20 January 2015, 23 January 2015 and 8 July 2015) to the highest of HK\$0.5000 per Share (recorded on 4 January 2016), with an average closing price of approximately HK\$0.11440 per Share. It is noted that the Offer Price represents a premium of approximately 1.53% over the average closing price of the Shares on the Stock Exchange during the Review Period, and that the Shares had been consecutively traded on the Stock Exchange below the Offer Price on and prior to 10 April 2015 and from 3 July 2015 to 26 October 2015 during the Review Period. On 30 November 2015, the Company issued an announcement to announce that Optimum Pace International Limited, the controlling Shareholder, had indicated to the Company that it had been approached by an independent third party not connected with the Company or any connected person (as defined in the Listing Rules) of the Company as potential purchaser of the Shares which, if materialised, may lead to a change in control of the Company (the “**Possible Offer Announcement**”). The Offer Price represents a premium of approximately 2.79% to the closing price of HK\$0.11300 per Share as quoted on the Stock Exchange on 27 November 2015 (being the last trading day prior to the publication of the Possible Offer Announcement). The Offer Price represents discounts to recent closing prices of the Shares on the Stock Exchange since 1 December 2015 after publication of the

## LETTER FROM NUADA

Possible Offer Announcement, and it is noted that trading price of the Shares on the Stock Exchange surged and the Shares have been traded above the Offer Price after the publication of the Joint Announcement. The recent surge of the trading price of the Shares on the Stock Exchange might be related to and affected by the publication of the Joint Announcement.

During the Review Period, the closing price of the Shares on the Singapore Exchange ranged from the lowest of S\$0.008 per Share (recorded from 25 February 2015 to 6 March 2015) to the highest of S\$0.066 per Share (recorded on 4 January 2016), with an average closing price of approximately S\$0.018 per Share. Based on the illustrative exchange rate of HK\$1.00 to S\$0.1829 (which is for illustrative purpose only in this letter, and no representation is made that any amount in HK\$ could have been or could be converted at such rate or any other rates or at all), the Offer Price of HK\$0.11615 is equivalent to approximately S\$0.021 (the “**Indicative Offer Price**”). Independent Shareholders should note that the Indicative Offer Price is derived at based on the illustrative exchange rate mentioned above for indicative and analysis purpose only in this letter, and does not in any manner mean and/or imply that the Offer Price would/could be settled with those Shareholders accepting the Offer in Singapore dollars and/or the equivalents. It is noted that the Indicative Offer Price represents a premium of approximately 16.67% over the average closing price of the Shares on the Singapore Exchange during the Review Period, and that the closing prices of the Shares on the Singapore Exchange were below the Indicative Offer Price most of the time during the Review Period although the Indicative Offer Price represents discounts to recent closing prices of the Shares on the Singapore Exchange since 11 December 2015. In addition, it is noted that the trading price of the Shares surged and the Shares have been traded on the Singapore Exchange above the Indicative Offer Price after the publication of the Joint Announcement. The recent surge of the trading price of the Shares on the Singapore Exchange might be related to and affected by the publication of the Joint Announcement.

### *Liquidity of the Shares*

The table below sets out, for each of the months during the Review Period,

- (a) (i) the average daily trading volume of the Shares on the Stock Exchange (the “**HKEx Average Volume**”); (ii) the percentage of the HKEx Average Volume to the total number of 4,918,271,306 Shares in issue and traded on the Stock Exchange as at the date of the Joint Announcement (the “**HKEx Issued Shares**”); and (iii) and the total number of 1,902,749,308 Shares traded on the Stock Exchange and held by public Shareholders (being Shareholders other than the Vendor, the Offeror and parties acting in concert with it, and the Directors) (the “**HKEx Public Shares**”) as at the date of the Joint Announcement; and

**LETTER FROM NUADA**

- (b) (i) the average daily trading volume of the Shares on the Singapore Exchange (the “**SGX Average Volume**”); and (ii) the percentage of the SGX Average Volume to the total number of 247,702,627 Shares in issue and traded on the Singapore Exchange as at the date of the Joint Announcement (the “**SGX Issued Shares**”). To the best knowledge of the Company, all Shares in issue and traded on the Singapore Exchange are held by public Shareholders (being Shareholders other than the Vendor, the Offeror and parties acting in concert with it, and the Directors).

	On the Stock Exchange			On the Singapore Exchange	
	HKEx Average Volume	Percentage to HKEx Average Volume to HKEx Issue Shares (%)	Percentage to HKEx Average Volume to HKEx Public Shares (%)	SGX Average Volume	Percentage to SGX Average Volume to SGX Issue Shares (%)
<b>2014</b>					
December	4,104,952	0.0835	0.2157	90,682	0.0366
<b>2015</b>					
January	5,444,546	0.1107	0.2861	43,810	0.0177
February	2,914,333	0.0593	0.1532	51,167	0.0207
March	48,167,727	0.9794	2.5315	418,818	0.1691
April	31,856,421	0.6477	1.6742	419,643	0.1694
May	42,657,269	0.8673	2.2419	929,435	0.3752
June	27,270,091	0.5545	1.4332	410,755	0.1658
July	8,057,619	0.1638	0.4235	25,695	0.0104
August	3,228,000	0.0669	0.1728	53,684	0.0217
September	2,887,905	0.0587	0.1518	92,250	0.0372
October	30,285,500	0.6158	1.5917	282,100	0.1139
November	11,673,504	0.2373	0.6135	544,295	0.2197
December	156,047,101	3.1728	8.2011	10,757,742	4.3430
<b>2016</b>					
January (up to the Latest Practicable Date)	90,821,700	1.8466	4.7732	7,117,320	2.8733

*Note:* Trading in the Shares on the Stock Exchange and the Singapore Exchange was suspended on 30 November 2015 and from 14 December 2015 to 17 December 2015.

*Online data source:* <http://www.hkex.com.hk> and <https://hk.finance.yahoo.com>

## LETTER FROM NUADA

As illustrated in the table above, the trading volume of the Shares during the Review Period had been generally thin, with (i) the highest HKEx Average Volume amounted to 156,047,101 Shares recorded in December 2015, representing approximately 3.1728% to the HKEx Issued Shares and approximately 8.2011% to the HKEx Public Shares respectively; and (ii) the highest SGX Average Volume amounted to 10,757,742 Shares recorded in December 2015, representing approximately 4.3430% to the SGX Issued Shares. Given the thin trading volume of the Shares during the Review Period, the Independent Shareholders who wish to realise their investment in the Shares (whether on the Stock Exchange or the Singapore Exchange), especially those with relatively sizeable shareholdings, might not be able to do so without having an adverse impact on the prevailing market prices of the Shares. Despite the Offer Price or the Indicative Offer Price (as the case may be) representing discounts to the recent closing prices of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be) as mentioned above, we consider that the Offer provides an alternative for the Independent Shareholders who would like to realise their investment in the Shares.

However, those Independent Shareholders who intend to dispose part or all of their Shares are reminded to closely monitor the market prices and the liquidity of the Shares (whether on the Stock Exchange or the Singapore Exchange) during the Offer Period and, having regard to their own circumstances, consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the disposal of their Shares in the open market would exceed that receivable under the Offer, in particular in view of the recent surge of the trading price of the Shares on the Stock Exchange and the Singapore Exchange after publication of the Joint Announcement.



## LETTER FROM NUADA

### *Indicative valuation benchmarks*

In assessing the fairness and reasonableness of the Offer Price, we consider that the price earnings multiples analysis, being commonly adopted valuation benchmark, is not appropriate given the loss-making record of the Group. As an alternative, we have attempted to make reference to the price-to-book multiples of all companies listed on the Stock Exchange which, to the best of our knowledge, effort and endeavour, are principally engaged in business similar to that of the Group, namely the sale and distribution of telecommunication-related products and/or services (the “**Comparables**”), which we consider are fair and representative as comparables to the Company, an exhaustive list of which are set out below:

Company name	Stock code	Principal Business	Market capitalization (HK\$) (Note 1)	Net assets based on the latest published account (Approximately HK\$) (Note 2 & 3)	Price-to-book multiple (times)
Hengxin Technology Ltd.	1085	Research, design, development and manufacture of telecommunications and technological products, production of radio frequency coaxial cable for mobile communications and mobile communication systems exchange equipment	659,600,000	1,467,207,600	0.4496
China Fiber Optic Network System Group Ltd.	3777	Production and sale of fiber optic patch cords and other accessories	1,565,478,576	3,743,274,000	0.4182
Chengdu PUTIAN Telecommunications Cable Co. Ltd.	1202	Manufacture and sale of various types of telecommunications cables, optical fibres and cable joining sleeves	220,800,000	1,148,465,731	0.1923
HL Technology Group Ltd.	1087	Manufacture and sale of power cord cable and assembly, automotive wiring harness, telecommunications products and other products and the provision of services for the construction of base station for telecommunications networks	2,191,800,000	1,033,510,800	2.1207

## LETTER FROM NUADA

Company name	Stock code	Principal Business	Market capitalization (HK\$) (Note 1)	Net assets based on the latest published account (Approximately HK\$) (Note 2 & 3)	Price-to-book multiple (times)
Shanxi Changcheng Microlight Equipment Co. Ltd.	8286	Design, research, development, manufacture and sale of image transmission of fibre optic products	57,200,000	76,144,800	0.7512
Centron Telecom International Holdings Ltd.	1155	Manufacture and sale of wireless telecommunications coverage system equipment and provision of related services, sale of digital television network coverage equipment and provision of related services, manufacture and sale of digital interphone	506,437,640	1,959,724,800	0.2584
Vtech Holdings Ltd.	303	Design, manufacture, distribution of electronic consumer products	19,428,937,988	3,791,580,000	5.1242
Trigiant Group Ltd.	1300	Manufacture and sales of RF coaxial cable series, flame-retardant flexible cable series, new-type electronic components, optical fibre cable series and related products, and other accessories	2,345,250,000	2,419,150,800	0.9695
ZTE Corporation	763	Design, development, manufacture and sale of telecommunications system equipment and solutions	12,677,332,672	32,075,064,000	0.3952
Comba Telecom Systems Holdings Ltd.	2342	Research, development, manufacture and sale of wireless telecommunication networks system equipment and the provision of related engineering services	2,786,260,965	3,778,083,000	0.7375

## LETTER FROM NUADA

Company name	Stock code	Principal Business	Market capitalization (HK\$) (Note 1)	Net assets based on the latest published account (Approximately HK\$) (Note 2 & 3)	Price-to-book multiple (times)
Suncorp Technologies Ltd.	1063	Design and sales of telephones and related products, processing and trading of used computer-related components	1,993,260,803	549,510,000	3.6273
				Minimum	0.1923
				Maximum	5.1242
				Average	1.3676
				The Offer	25.9843 (Note 4)

Online data source: <http://www.hkex.com.hk>

*Notes:*

1. Based on the closing prices of the shares as quoted on the Stock Exchange and the number of issued shares of the relevant Comparables as at the Last Trading Day.
2. Being latest unaudited figures as stated on the relevant interim reports which were published subsequent to the relevant latest annual reports of all Comparables and prior to the Last Trading Day.
3. Calculated based on the exchange rate at RMB1.00 to HK\$1.20 or USD1.00 to HK\$7.80 (where applicable), which are for illustrative purpose only in this letter. No representation is made that any amount in HK\$ could have been or could be converted at such rate or any other rates or at all.
4. Calculated based on the Offer Price divided by the audited net assets per Share of approximately HK\$0.00447 as at 30 September 2015 (based on the number of issued Shares as at the Latest Practicable Date).
5. For reference purpose, DBA Telecommunication (Asia) Holdings Ltd. (stock code: 3335), which is principally engaged in design, manufacture and sales of telecommunication equipment and related products, intelligent self-services business, and trading of telecommunication products, is excluded from the above list of the Comparables as trading in its shares on the Stock Exchange has been suspended for a prolonged period since 6 June 2013 and, as at the Latest Practicable Date, would remain suspended until further notice.

As illustrated in the above table, the average price-to-book ratios of the Comparables is 1.3676 times (the “**Average PB Ratio**”). Based on the audited consolidated net assets per Share of approximately HK\$0.00447 as at 30 September 2015, the price-to-book multiple represented by the Offer Price is approximately 25 times, which is higher than the Average PB Ratio and the price-to-book ratios of all Comparables. However, the

## LETTER FROM NUADA

Independent Shareholders should be aware of the limitations of price-to-book multiples analysis, including but not limited to, the different scale of operations, marketplace, financial performance and asset base of the Comparables and the Company as well as the various circumstances and factors affecting the respective share price performance of the Comparables from time to time. Save for the price-to-book multiples analysis is subject to limitations as mentioned above, we are not aware of any particular reasons for the relatively high price-to-book ratio represented by the Offer Price as compared to the price-to-book ratios of all Comparables.

Although the Offer Price represents discounts to the recent closing prices of the Shares, given (i) the deteriorating financial results and the uncertain future prospects of the Group as detailed in the section headed “Business and financial information of the Group” above; (ii) the Offer Price represents a premium of approximately 1.53% over the average closing price of the Shares as quoted on the Stock Exchange during the Review Period; (iii) the Shares had been consecutively traded on the Stock Exchange below the Offer Price on and prior to 10 April 2015 and from 3 July 2015 to 26 October 2015 during the Review Period; (iv) the Offer Price represents a premium of approximately 2.79% to the closing price of HK\$0.11300 per Share as quoted on the Stock Exchange on 27 November 2015 (being the last trading day prior to the publication of the Possible Offer Announcement); (v) the Indicative Offer Price represents a premium of approximately 16.67% over the average closing price of the Shares as quoted on the Singapore Exchange during the Review Period; (vi) the closing prices of the Shares traded on the Singapore Exchange were below the Indicative Offer Price most of the time during the Review Period; (vii) the Offer Price represents a premium of approximately 25 times over the audited consolidated net asset value per Share as stated above; (viii) the Offer Price is the same as the consideration per Sale Share of approximately HK\$0.11615 paid by the Offeror for each of the Sale Shares; and (ix) the price-to-book multiple represented by the Offer Price is approximately 25 times (based on the audited consolidated net assets per Share of approximately HK\$0.00447 as at 30 September 2015), which is higher than the Average PB Ratio and the price-to-book ratios of all Comparables, we consider that the Offer Price is fair and reasonable.

Furthermore, we would like to remind the Independent Shareholders that although the Offer Price or the Indicative Offer Price (as the case may be) is below the recent closing prices of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be), in particular in view of the recent surge of the trading price of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be) after publication of the Joint Announcement, there is no guarantee that the recent trading prices of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be) will sustain and be higher than the Offer Price or the Indicative Offer Price (as the case may be) during and after the Offer Period. The Independent Shareholders, in particular those who may wish to realise their investments in the Shares, are thus reminded to closely monitor the market price of the Shares (whether on the Stock Exchange or the Singapore Exchange) during the Offer Period.

**Recommendation**

Having considered that

- (i) the uncertain future prospects of the Group in view of the deteriorating financial results with loss-making record as detailed in the section headed “Business and financial information of the Group” above;
- (ii) the fairness and reasonableness of the Offer Price as detailed in the section headed “Principal terms of the Offer” above; and
- (iii) the thin liquidity of the Shares that Independent Shareholders who wish to realise their investment in the Shares, especially those with relatively sizeable shareholdings, might not be able to do so without having an adverse impact on the prevailing market prices of the Shares,

we consider that the Offer provides an alternative for the Independent Shareholders who would like to realise their investment in the Shares, and that the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend the Independent Shareholders to accept the Offer.

However, in view of the fact that the Offer Price or the Indicative Offer Price (as the case may be) is lower than the recent closing prices of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be), in particular in view of recent surge of the trading price of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be) after publication of the Joint Announcement, the Independent Shareholders, in particular those who wish to accept the Offer, are reminded to closely monitor the market prices and the trading volumes of the Shares (whether on the Stock Exchange or the Singapore Exchange) during the Offer Period and shall, having regard to their own circumstances (including but not limited to the applicable exchange rates), consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the disposal of their Shares in the open market would exceed that receivable under the Offer. Independent Shareholders should note that the Indicative Offer Price is derived at based on the illustrative exchange rate mentioned above for indicative and analysis purpose only in this letter, and does not in any manner mean and/or imply that the Offer Price would/could be settled with those Shareholders accepting the Offer in Singapore dollars and/or the equivalents.

In particular, we would like to remind the Independent Shareholders that although the Offer Price or the Indicative Offer Price (as the case may be) is below the recent closing prices of the Shares on the Stock Exchange or the Singapore Exchange (as the case may be), in particular in view of recent surge of the closing price of the Shares on the Stock Exchange and the Singapore Exchange after publication of the Joint Announcement, there is no guarantee that the trading prices of the Shares will sustain and be higher than the Offer Price or the Indicative Offer Price (as the case may be) during and after the Offer Period. The Independent Shareholders, in particular those who may

## LETTER FROM NUADA

wish to realise their investments in the Shares, are thus reminded to closely monitor the market prices of the Shares (whether on the Stock Exchange or the Singapore Exchange) during the Offer Period.

The Independent Shareholders should read carefully the procedures for accepting the Offer as detailed in Appendix I to the Composite Document and are strongly advised that decision to realise or hold their investment in the Shares is subject to individual circumstances and investment objectives.

Yours faithfully,  
For and on behalf of  
**Nuada Limited**  
**Po Chan**  
*Executive Director*

*Ms. Po Chan is a person licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activity under the SFO and a responsible officer of Nuada Limited and has over 14 years of experience in corporate finance industry.*

**1. PROCEDURES FOR ACCEPTANCE OF THE OFFER FOR HONG KONG SHAREHOLDERS**

- (a) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Offer, you must send the duly completed and signed FAT HK together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) by post or by hand, marked “Global Tech (Holdings) Limited — Offer” on the envelope, to Registrar HK, Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, being the agent appointed to receive the FAT HK under the Offer, in any event not later than 4 p.m. on Wednesday, 24 February 2016 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, if necessary, in accordance with the Takeovers Code.
- (b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your holding of Shares (whether in full or in part), you must either:
- (i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, and with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the FAT HK duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to Registrar HK; or
  - (ii) arrange for the Shares to be registered in your name by the Company through Registrar HK, and deliver the FAT HK duly completed and signed together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to Registrar HK; or
  - (iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set out by HKSCC Nominees Limited. In order to meet the deadline set out by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

- (iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.
- (c) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the FAT HK and deliver it to Registrar HK together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror, Altus Investments and/or Yicko, or their respective agent(s) to collect from the Company or Registrar HK on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificates to Registrar HK on your behalf and to authorise and instruct Registrar HK to hold such Share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to Registrar HK with the FAT HK.
- (d) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the FAT HK should nevertheless be completed, signed and delivered to Registrar HK together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Offer Shares or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) should be forwarded to Registrar HK as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title, you should also write to Registrar HK for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to Registrar HK. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.
- (e) Acceptance of the Offer will be treated as valid only if the completed and signed FAT HK is received by Registrar HK on or before 4:00 p.m. on Wednesday, 24 February 2016 or such later time and/or date as the Offeror may determine and announce, with the consent of the Executive, if necessary, in accordance with the Takeovers Code and Registrar HK has recorded that the acceptance and the relevant documents as required under this paragraph have been so received, and is:
- (i) accompanied by the relevant Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those Share certificate(s) and/or transfer



receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of you, the person accepting the Offer, executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares;

- (ii) from a registered Shareholder or his personal representatives (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another subparagraph of this paragraph (e)); or
- (iii) certified by Registrar HK or the Stock Exchange.

If the FAT HK is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) must be produced.

- (f) Seller's Hong Kong ad valorem stamp duty arising in connection with acceptance of the Offer will be payable by each relevant Shareholder at a rate of 0.1% of (i) the market value of the Offer Shares, or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, which will be deducted from the cash amount payable by the Offeror to such Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Shareholders who accept the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).
- (g) No acknowledgement of receipt of any FAT HK, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

## 2. PROCEDURES FOR ACCEPTANCE OF THE OFFER FOR SINGAPORE SHAREHOLDERS

### (a) Depositors

- (i) **Depositors whose Securities Accounts are credited with Offer Shares.** If you have Offer Shares standing to the credit of the "Free Balance" of your Securities Account, you should receive this Composite Document together with the FAA SG. If you do not receive the FAA SG, you may obtain a copy of such FAA SG, upon production of satisfactory evidence that you are a Shareholder, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

**Acceptance.** If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:

(1) complete the FAA SG in accordance with the provisions and instructions in this Composite Document and the FAA SG (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAA SG, the number of Offer Shares in respect of which you wish to accept the Offer. If you:

(I) do not specify such number; or

(II) specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5:00 p.m. on the Date of Receipt or, in the case where the Date of Receipt is on the Closing Date, as at 4:00 p.m. on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date),

you shall be deemed to have accepted the Offer in respect of all the Offer Shares already standing to the credit of the “Free Balance” of your Securities Account as at 5:00 p.m. on the Date of Receipt or 4:00 p.m. on the Closing Date (if the Date of Receipt is on the Closing Date);

(2) sign the FAA SG in accordance with this Composite Document and the instructions printed on the FAA SG; and

(3) deliver the completed and signed FAA SG in its entirety (no part may be detached or otherwise mutilated):

(I) **by hand**, to Road Shine Developments Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or

(II) **by post**, in the enclosed pre-addressed envelope at your own risk, to Road Shine Developments Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984, Singapore 903934,

**in either case so as to arrive not later than 4:00 p.m. on the Closing Date.** If the completed and signed FAA SG is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

If you have sold or transferred all your Offer Shares held through CDP, you need not forward this Composite Document and the accompanying FAA SG to the purchaser or transferee, as CDP will arrange for a separate Composite Document and FAA SG to be sent to the purchaser or transferee.

If you are a Depository Agent, you may accept the Offer via Electronic Acceptance. Such Electronic Acceptance must be submitted **not later than 4:00 p.m. on the Closing Date**. CDP has been authorised by the Offeror to receive Electronic Acceptances on its behalf. Electronic Acceptances submitted will be deemed irrevocable and subject to each of the terms and conditions contained in the FAA SG and this Composite Document as if the FAA SG had been completed and delivered to CDP.

- (ii) **Depositors whose Securities Accounts will be credited with Offer Shares.** If you have purchased Offer Shares on the SGX-ST and such Offer Shares are in the process of being credited to the “Free Balance” of your Securities Account, you should also receive this Composite Document together with the FAA SG. If you do not receive the FAA SG, you may obtain a copy of such FAA SG, upon production of satisfactory evidence that you have purchased the Offer Shares on the SGX-ST, from CDP at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.

**Acceptance.** If you wish to accept the Offer in respect of such Offer Shares, you should, **AFTER** the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:

- (1) complete and sign the FAA SG in accordance with the instructions in this Composite Document and the FAA SG; and
- (2) deliver the completed and signed FAA SG in its entirety (no part may be detached or otherwise mutilated):
  - (I) **by hand**, to Road Shine Developments Limited c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or
  - (II) **by post**, in the enclosed pre-addressed envelope at your own risk, to Road Shine Developments Limited c/o The Central Depository (Pte) Limited, Robinson Road Post Office P.O. Box 1984, Singapore 903934,

**in either case so as to arrive not later than 4:00 p.m. on the Closing Date.** If the completed and signed FAA SG is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

(iii) **Depositors whose Securities Accounts are and will be credited with Offer Shares.** If you have Offer Shares credited to the “Free Balance” of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to the “Free Balance” of your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the “Free Balance” of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only **AFTER** the “Free Balance” of your Securities Account has been credited with such number of additional Offer Shares purchased. The provisions set out above shall apply *mutatis mutandis* to your acceptance of the Offer.

(iv) **Rejection.** If upon receipt by CDP, on behalf of the Offeror, of the FAA SG, it is established that such Offer Shares have not been credited to the “Free Balance” of your Securities Account (as, for example, where you are selling or have sold such Offer Shares), then your acceptance is liable to be rejected and none of CDP, Altus Investments, Yicko and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

If you purchase Offer Shares on the SGX-ST during the Offer Period and on a date near to the Closing Date, your acceptance of the Offer in respect of such Offer Shares will be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5:00 p.m. on the Date of Receipt or 4:00 p.m. on the Closing Date (if the Date of Receipt is on the Closing Date). None of CDP, Altus Investments, Yicko and the Offeror (and, for the avoidance of doubt, any of the Offeror’s related corporations) accepts any responsibility or liability for such a rejection, including the consequences of such a rejection.

(v) **FAAs SG received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FAAs SG received by CDP, for and on behalf of the Offeror, on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next business day.

(vi) **General.** No acknowledgement will be given by CDP for submissions of the FAA SG made by hand or by post to CDP or deposited into boxes located at CDP’s premises. All communications, notices, documents and payments to be delivered or sent to you will be sent by ordinary post at your own risk to your mailing address as it appears in the records of CDP. For reasons of confidentiality, CDP will not entertain telephone enquiries relating to the number of Offer Shares credited to your Securities Account. You can verify such number in your Securities Account: (i) through CDP Online if you have registered for the CDP Internet Access Service, or (ii) through the CDP Phone Service if you have a T-PIN.

- (vii) **Suspense Account.** Upon receipt by CDP, for and on behalf of the Offeror, of the duly completed and signed original of the FAA SG, CDP will take such measures as it may consider necessary and expedient to prevent any trading of the Offer Shares in respect of which you have accepted the Offer during the period commencing on the Date of Receipt and ending on the date of settlement of the Offer Price (including, without limitation, earmarking, blocking and/or transferring the relevant number of Offer Shares in respect of which you have accepted the Offer from the “Free Balance” of your Securities Account to a “Suspense Account”).
- (viii) **Notification.** If you have accepted the Offer in accordance with the terms of this Composite Document and the FAA SG, CDP will send you a notification letter stating the number of Offer Shares debited from your Securities Account together with payment of the Offer Price by way of a demand draft denominated in HK\$ drawn on a bank in Hong Kong for the appropriate amount at your own risk, as soon as possible but in any event within seven Business Days following the Date of Receipt.
- (ix) **No Securities Account.** If you do not have any existing Securities Account in your own name at the time of acceptance of the Offer, your acceptance as contained in the FAA SG will be rejected.

**(b) Scripholders**

- (i) **Shareholders whose Offer Shares are not deposited with CDP.** If you hold Offer Shares which are not deposited with CDP (“in scrip form”), you should receive this Composite Document together with a FAT SG.
- (ii) **Acceptance.** If you wish to accept the Offer in respect of all or any of your Offer Shares, you should:
- (1) complete the FAT SG in accordance with the provisions and instructions in this Composite Document and the FAT SG (which provisions and instructions shall be deemed to form part of the terms of the Offer). In particular, you must state in Part A of the FAT SG the number of Offer Shares in respect of which you wish to accept the Offer and state in Part B of the FAT SG the share certificate number(s) of the relevant share certificate(s). If you:
    - (I) do not specify a number in Part A of the FAT SG; or
    - (II) specify a number in Part A of the FAT SG which exceeds the number of Offer Shares represented by the attached share certificate(s) accompanying the FAT SG,

you shall be deemed to have accepted the Offer in respect of all the Offer Shares represented by the share certificate(s) accompanying the FAT SG;

- (2) sign the FAT SG in accordance with this Composite Document and the instructions printed on the FAT SG; and
- (3) deliver:
  - (I) the completed and signed FAT SG in its entirety (no part may be detached or otherwise mutilated);
  - (II) the share certificate(s), other document(s) of title and/or other relevant document(s) required by the Offeror relating to the Offer Shares in respect of which you wish to accept the Offer. If you are recorded in the register of members of the Company as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Articles of Association of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Composite Document and the FAT SG;
  - (III) where such Offer Shares are not registered in your name, a transfer form, duly completed and executed by the person in whose name such Offer Shares are registered and stamped, with the particulars of the transferee left blank (to be completed by the Offeror or transferee or a person authorised by either one of them); and
  - (IV) any other relevant document(s),

either **by hand** to Road Shine Developments Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623; or **by post**, in the enclosed pre-addressed envelope at your own risk, to Road Shine Developments Limited c/o Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, **in either case so as to arrive not later than 4:00 p.m. on the Closing Date**. If the completed and signed FAT SG is delivered by post to the Offeror, please use the enclosed pre-addressed envelope. It is your responsibility to affix adequate postage on the said envelope.

- (iii) **Unavailable/lost Share certificate(s):** If you are recorded in the register of members of the Company maintained by the Registrar SG as holding Offer Shares but do not have the relevant share certificate(s) relating to such Offer Shares, you, at your own risk, are required to procure the Company to issue such share certificate(s) in accordance with the Articles of Association of the Company and then deliver such share certificate(s) in accordance with the procedures set out in this Composite Document and the FAT SG. If your share certificate(s) or transfer form(s) and/or other relevant document(s) required by the Offeror, is/are not readily available or is/are lost, please contact Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore

Land Tower, Singapore 048623. The FAT SG should nevertheless be completed and delivered as above if you wish to accept the Offer. The unavailable/missing share certificate(s) and/or transfer forms(s) and/or any other document(s) of title (and/or satisfactory indemnities or appropriate statutory declarations required in respect thereof) should be forwarded as soon as possible thereafter but in any event before 4.00 p.m. on the Closing Date.

- (iv) **Receipt.** No acknowledgement of receipt of any FAT SG, share certificate(s), other document(s) of title, transfer form(s) and/or any other accompanying document(s) will be given.
- (v) **FATs SG received on Saturday, Sunday and public holidays.** For the avoidance of doubt, FATs SG received by Registrar SG, for or on behalf of the Offeror, on a Saturday, Sunday or public holiday in Singapore will only be processed and validated on the next business day.

### 3. ACCEPTANCE PERIOD AND REVISIONS

- (a) Unless the Offer has previously been extended, with the consent of the Executive, in accordance with the Takeovers Code, the relevant Acceptance Forms must be received by 4:00 p.m. on Wednesday, 24 February 2016 in accordance with the instructions printed on the relevant Acceptance Forms, and the Offer will be closed on Wednesday, 24 February 2016.
- (b) If the Offer is extended or revised, the announcement of such extension or revision shall state the next Closing Date or that the Offer will remain open until further notice. For the latter case, at least 14 days' notice in writing will be given to the Shareholders who have not accepted the Offer before the Offer is closed, and an announcement in respect thereof shall be released.
- (c) If the Closing Date is extended, any reference in this Composite Document and in the relevant Acceptance Forms to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date so extended.
- (d) If the Offeror revises the terms of the Offer, the Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days following the date on which the revised Composite Document is posted and shall not be closed earlier than the Closing Date.
- (e) Any acceptance of the relevant revised Offer pursuant thereto shall be irrevocable unless and until the accepting Shareholder becomes entitled to withdraw his acceptance in accordance with the section headed "Right of withdrawal" in this Appendix and duly does so.



#### 4. ANNOUNCEMENTS

- (a) Taking into account of Rule 19.1 of the Takeovers Code, by 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive may in exceptional circumstances permit), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision or extension of the Offer. The Offeror must publish an announcement on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating whether the Offer has been closed, revised or extended. The announcement must state the following:
- (i) the total number of Shares and rights over Shares for which acceptances of the Offer have been received;
  - (ii) the total number of Shares and rights over Shares held, controlled or directed by the Offeror or persons acting in concert with it before the Offer Period;
  - (iii) the total number of Shares and rights over Shares acquired or agreed to be acquired by the Offeror or persons acting in concert with it during the Offer Period;
  - (iv) details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or any parties acting in concert with it has borrowed or lent, save for any borrowed securities which have been either on-lent or sold; and
  - (v) the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers of Shares.
- (b) In computing the total number of Shares represented by acceptances, only valid acceptances that have been received by Registrar HK, Registrar SG and CDP (as the case may be) no later than 4:00 p.m. on the Closing Date shall be included.
- (c) As required under the Takeovers Code, all announcements in respect of Offer will be made in accordance with the requirements of the Listing Rules.
- (d) As required under the Listing Manual of the SGX-ST, any information and documents released on the Stock Exchange must be released at the same time on the SGX-ST in English.

#### 5. NOMINEE REGISTRATION

To ensure equality of treatment of all Shareholders, those registered Shareholders who hold Offer Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Offer Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.



## 6. RIGHT OF WITHDRAWAL

- (a) Acceptance of the Offer tendered by the Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below.
- (b) If the Offeror is unable to comply with the requirements set out in paragraph 4 above headed “Announcements”, the Executive may require that the Shareholders who have tendered acceptances to the Offer be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.
- (c) Upon the Shareholders withdrawing their acceptance(s), the Offeror and Registrar HK and Registrar SG shall, as soon as possible but in any event within 10 days thereof, return the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the relevant Acceptance Forms to the relevant Shareholder(s) by ordinary post or deposit the relevant Shares to the Securities Account of the Shareholder (in the case of acceptance made with FAA SG) at the relevant Shareholder’s own risk.

## 7. METHOD OF SETTLEMENT FOR HONG KONG SHAREHOLDERS

Provided that a valid FAT HK and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) are complete and in good order in all respects and have been received by Registrar HK no later than the latest time for acceptance, a cheque for the amount due to each accepting Shareholder less seller’s Hong Kong ad valorem stamp duty in respect of the Offer Shares tendered by him under the Offer will be despatched to such Shareholder by ordinary post at his own risk as soon as possible but in any event within seven Business Days following the Date of Receipt.

No fractions of a cent will be payable and the amount of the cash consideration payable for the Offer Shares will be rounded up to the nearest Hong Kong cent.

Settlement of the consideration to which any Shareholders are entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller’s Hong Kong ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such Shareholders.

## 8. METHOD OF SETTLEMENT FOR SINGAPORE SHAREHOLDERS

Subject to the receipt by the Offeror from accepting Singapore Shareholders of valid acceptances and all relevant documents required by the Offeror (c/o CDP or Registrar SG, as the case may be) which are complete in all respects and in accordance with the instructions given in this Composite Document and in the FAA SG or the FAT SG (as the case may be) and in the case of Depositors, the receipt by the Offeror of a confirmation satisfactory to it that the relevant number of Offer Shares tendered by the accepting Singapore Shareholders in

acceptance of the Offer stand to the credit of the “Free Balance” of their respective Securities Account at the relevant time(s), payments in the form of demand drafts denominated in HK\$ drawn on a bank in Hong Kong will be despatched to the accepting Singapore Shareholders (or in the case of Singapore Shareholders holding share certificate(s) which are not deposited with CDP, their designated agents, as they may direct) by ordinary post, at the risk of the accepting Singapore Shareholders, as soon as possible, but in any case within seven Business Days following the Date of Receipt.

No stamp duty is payable in Singapore on the transfer of scripless shares through the book entry securities system maintained by CDP.

#### **9. OVERSEAS SHAREHOLDERS AND OVERSEAS SHAREHOLDERS (SINGAPORE)**

This Composite Document will not be filed under the applicable securities or equivalent legislation or rules of any jurisdiction other than Hong Kong and Singapore.

The Offer is in respect of a company incorporated in the Cayman Islands and listed in Hong Kong and Singapore and is therefore subject to the procedure and disclosure requirements of laws, regulations and rules in Hong Kong and Singapore which may be different to those in other jurisdictions.

The Independent Shareholders who are also Overseas Shareholders and/or Overseas Shareholders (Singapore) who wish to participate in the Offer are subject to, and may be limited by, the laws and regulations of their respective jurisdictions in connection with their participation in the Offer. Overseas Shareholders and/or Overseas Shareholders (Singapore) should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers.

It is the responsibility of each Overseas Shareholder and/or Overseas Shareholder (Singapore) who wishes to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental, exchange control or other consent and any registrations or filings which may be required, the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholder and/or Overseas Shareholder (Singapore) in respect of such jurisdictions).

Each Overseas Shareholder and/or Overseas Shareholder (Singapore) who wishes to accept the Offer is also fully responsible for other taxes and duties by whomsoever payable in respect of all relevant jurisdictions. The Offeror, the Company, Altus Investments, Yicko, Altus Capital, Nuada, Registrar HK, Registrar SG, CDP and any person involved in the Offer shall be entitled to be fully indemnified and held harmless by you for any taxes, imposts, duties or requisite payment as you may be required to pay.

Acceptances of the Offer by any such person will be deemed to constitute a representation and warranty by such person to the Offeror that the local laws and requirements have been complied with and such person is permitted under all applicable laws to accept the Offer and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws.

The Offeror reserves the right to notify any matter, including the making of the Offer, to Overseas Shareholders and Overseas Shareholders (Singapore) by announcement or by advertisement in a newspaper which may not be circulated in the jurisdiction in which the Overseas Shareholders and Overseas Shareholders (Singapore) are resident. The notice will be deemed to have been sufficiently given, despite any failure by an Overseas Shareholder and/or Overseas Shareholder (Singapore) to receive or see that notice.

In relation to Shareholders with Shares listed on the SGX-ST, the making of the Offer to Overseas Shareholders (Singapore) may be affected by laws of the relevant overseas jurisdictions. Accordingly, Overseas Shareholders (Singapore) should inform themselves about and observe any applicable legal requirements. For the avoidance of doubt, the Offer is made to all Shareholders including those to whom this Composite Document and/or the FAA SG have not been, or will not be, sent.

## 10. TAXATION

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, Altus Investments, Yicko, Altus Capital, Nuada, Registrar HK, Registrar SG, CDP or their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

## 11. GENERAL

- (a) Each Shareholder by whom, or on whose behalf, a relevant Acceptance Form is executed irrevocably undertakes, represents, warrants and agrees to and with the Offeror, Altus Investments and Yicko, so as to bind him or his personal representatives, heirs, successors and assigns, to the following effect:
  - (i) the Offer Shares acquired under the Offer are sold or tendered by such person or persons (i) fully paid; (ii) free from all Encumbrances, and (iii) together with all rights, benefits, entitlements attached thereto as at the date on which the Offer is made and hereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) declared, made or paid by the Company on or after the date on which the Offer is made;
  - (ii) if such acceptor is an Overseas Shareholder or Overseas Shareholder (Singapore), that he has observed the laws of all relevant territories, obtained any and all requisite governmental, exchange control or other consents which may be required, complied with all necessary formalities and paid any and all

transfer or other taxes or duties due from him in connection with such acceptance in any territory, that he has not taken or omitted to take any action which will or may result in the Offeror, Altus Investments and Yicko or any other person acting or being in breach of the legal or regulatory requirements of any territory in connection with the Offer or his acceptance thereof and he is permitted under the laws of the relevant jurisdictions in connection therewith to receive and accept the Offer (and any revision thereof), and that such acceptance is valid and binding in accordance with the laws of the relevant jurisdictions in connection therewith;

- (iii) that such Shareholder will deliver or procure the delivery to Registrar HK, Registrar SG and/or CDP of his relevant Offer Share certificate(s)(if any) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) (as applicable);
  - (iv) that acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror, Altus Investments and Yicko that the number of Offer Shares indicated in the relevant Acceptance Forms are duly held by such nominee for such beneficial owners who are accepting the Offer and the Offer is duly and properly accepted in respect of such aggregate number of Offer Shares;
  - (v) that the execution of the relevant Acceptance Forms in respect of the Offer constitutes an irrevocable instruction and authority to the Offeror, Altus Investments and Yicko, and any of their respective directors, officers, advisers, agents or associates to complete, amend and execute, on behalf of the relevant Shareholder who accepts the Offer, the relevant Acceptance Forms and any document and, in relation to the Offer, to do any other act that may be necessary or expedient for the purpose of vesting in the Offeror, or its nominees or such other persons as the Offeror shall direct, the Offer Shares which are the subject of such acceptance; and
  - (vi) that the terms, provisions, instructions and authorities contained in or deemed to be contained in the relevant Acceptance Forms constitute part of the terms of the Offer. The terms of the Offer contained in this Composite Document (including the provisions of this Appendix) shall be deemed to be incorporated into the relevant Acceptance Forms which shall be read and construed accordingly.
- (b) All communications, notices, Acceptance Forms, Share certificates, transfer receipts, other documents of title and/or any satisfactory indemnity or indemnities required in respect thereof and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, Altus Investments, Yicko, Altus Capital, Nuada or their respective ultimate beneficial owners, directors, officers, advisers, agents or

associates nor Registrar HK, Registrar SG or CDP or the company secretary of the Company or any other person involved in the Offer accepts any liability for any loss or delay in postage or any other liabilities that may arise as a result thereof.

- (c) In making their decision, the Shareholders must rely on their own examination of the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Acceptance Forms, shall not be construed as any legal or business advice on the part of the Company, the Offeror, Altus Investments, Yicko, Altus Capital, Nuada, Registrar HK, Registrar SG, CDP or their respective ultimate beneficial owners, directors, officers, advisers, agents or associates. Shareholders should consult their own professional advisers for professional advice.
- (d) The accidental omission to despatch this Composite Document and/or the Acceptance Forms or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.
- (e) The Offer and all acceptances will be governed by and construed in accordance with the laws of Hong Kong.
- (f) Reference to the Offer in this Composite Document and in the Acceptance Forms shall include any extension or revision thereof.
- (g) The English text of this Composite Document and the Acceptance Forms shall prevail over their respective Chinese text in case of inconsistency.

## 1. FINANCIAL SUMMARY

Set out below is a summary of the financial information of the Group for the three financial years ended 30 September 2015, which is extracted from the annual reports of the Company for the three financial years ended 30 September 2015.

The Group had no minority interest and no exceptional items because of size, nature or incidence during each of the three financial years ended 30 September 2015.

The auditor's report issued by HLB Hodgson Impey Cheng Limited in respect of the Group's audited consolidated financial statements for the three financial years ended 30 September 2015 did not contain any qualifications.

	<b>2015</b>	<b>2014</b>	<b>2013</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Turnover	86,695	89,785	110,548
Cost of sales	<u>(60,685)</u>	<u>(65,108)</u>	<u>(77,537)</u>
Gross profit	26,010	24,677	33,011
Other revenue	81	108	166
Other income	—	1,098	270
Selling and distribution expenses	(688)	(558)	(1,292)
Administrative expenses	(42,668)	(38,976)	(50,106)
Other operating expenses	(6,058)	(2,321)	(22,154)
Finance costs	<u>(42)</u>	<u>—</u>	<u>—</u>
Loss before taxation	(23,365)	(15,972)	(40,105)
Taxation	<u>20</u>	<u>(20)</u>	<u>52,993</u>
<b>(Loss)/profit for the year</b>	<u>(23,345)</u>	<u>(15,992)</u>	<u>12,888</u>
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Exchange differences on translating foreign operations	<u>5,809</u>	<u>1,761</u>	<u>196</u>
<b>Other comprehensive income for the year, net of tax</b>	<u>5,809</u>	<u>1,761</u>	<u>196</u>
<b>Total comprehensive (loss)/income for the year</b>	<u>(17,536)</u>	<u>(14,231)</u>	<u>13,084</u>
<b>(Loss)/profit for the year attributable to owners of the Company</b>	<u>(23,345)</u>	<u>(15,992)</u>	<u>12,888</u>

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2013 <i>HK\$'000</i>
<b>Total comprehensive (loss)/income for the year attributable to owners of the Company</b>	<u>(17,536)</u>	<u>(14,231)</u>	<u>13,084</u>
<b>(Loss)/earnings per share attributable to owners of the Company</b>			
Basic and diluted	<u>HK\$(0.005)</u>	<u>HK\$(0.003)</u>	<u>HK\$0.002</u>
Dividends	<u>—</u>	<u>—</u>	<u>—</u>

## 2. FINANCIAL INFORMATION OF THE GROUP FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

The following is the latest published audited consolidated financial statements of the Group for the financial year ended 30 September 2015 extracted from the annual report of the Company for the financial year ended 30 September 2015:

### Consolidated Statement of Profit or Loss and Other Comprehensive Income For the financial year ended 30 September 2015

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Turnover	7	86,695	89,785
Cost of sales		<u>(60,685)</u>	<u>(65,108)</u>
Gross profit		26,010	24,677
Other revenue	8	81	108
Other income	9	—	1,098
Selling and distribution expenses		(688)	(558)
Administrative expenses		(42,668)	(38,976)
Other operating expenses		(6,058)	(2,321)
Finance costs	10	<u>(42)</u>	<u>—</u>
Loss before taxation	11	(23,365)	(15,972)
Taxation	12	<u>20</u>	<u>(20)</u>
<b>Loss for the year</b>	13	(23,345)	(15,992)
<b>Other comprehensive income</b>			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
<i>Exchange differences on translating foreign operations</i>		<u>5,809</u>	<u>1,761</u>
<b>Other comprehensive income for the year, net of tax</b>		<u>5,809</u>	<u>1,761</u>
<b>Total comprehensive loss for the year</b>		<u>(17,536)</u>	<u>(14,231)</u>
<b>Loss for the year attributable to owners of the Company</b>		<u>(23,345)</u>	<u>(15,992)</u>
<b>Total comprehensive loss for the year attributable to owners of the Company</b>		<u>(17,536)</u>	<u>(14,231)</u>
<b>Loss per share attributable to owners of the Company</b>			
Basic and diluted	15	<u>HK\$(0.005)</u>	<u>HK\$(0.003)</u>



**Consolidated Statement of Financial Position***At 30 September 2015*

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	<i>16</i>	2,918	2,675
Available-for-sale financial assets	<i>19</i>	<u>5,950</u>	<u>5,950</u>
		<u>8,868</u>	<u>8,625</u>
<b>Current assets</b>			
Inventories	<i>20</i>	2,272	4,255
Trade receivables	<i>21</i>	1,309	4,153
Prepayments, deposits and other receivables	<i>22</i>	7,971	7,747
Financial assets at fair value through profit or loss	<i>23</i>	177	—
Tax recoverable		20	—
Pledged time deposits	<i>24</i>	5,030	—
Cash and bank balances	<i>25</i>	<u>14,298</u>	<u>24,646</u>
		<u>31,077</u>	<u>40,801</u>
<b>Current liabilities</b>			
Trade payables	<i>26</i>	4,339	4,362
Accrued charges and other payables	<i>27</i>	8,011	4,413
Secured bank borrowings	<i>28</i>	4,500	—
Tax payables		<u>—</u>	<u>20</u>
		<u>16,850</u>	<u>8,795</u>
<b>Net current assets</b>		<u>14,227</u>	<u>32,006</u>
<b>Total assets less current liabilities</b>		<u>23,095</u>	<u>40,631</u>
<b>Net assets</b>		<u>23,095</u>	<u>40,631</u>
<b>Equity</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	<i>29</i>	51,659	51,659
Reserves		<u>(28,564)</u>	<u>(11,028)</u>
<b>Total equity</b>		<u>23,095</u>	<u>40,631</u>

**Statement of Financial Position***At 30 September 2015*

	<i>Notes</i>	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
<b>Non-current assets</b>			
Interests in subsidiaries	<i>17</i>	22,500	24,764
Available-for-sale financial assets	<i>19</i>	<u>5,300</u>	<u>5,300</u>
		<u>27,800</u>	<u>30,064</u>
<b>Current assets</b>			
Amounts due from subsidiaries	<i>18</i>	5,171	11,189
Prepayments, deposits and other receivables	<i>22</i>	266	335
Cash and bank balances	<i>25</i>	<u>244</u>	<u>607</u>
		<u>5,681</u>	<u>12,131</u>
<b>Current liabilities</b>			
Accrued charges and other payables	<i>27</i>	5,155	2,867
Amounts due to subsidiaries		<u>5,231</u>	<u>4,972</u>
		<u>10,386</u>	<u>7,839</u>
<b>Net current (liabilities)/assets</b>		<u>(4,705)</u>	<u>4,292</u>
<b>Total assets less current liabilities</b>		<u>23,095</u>	<u>34,356</u>
<b>Net assets</b>		<u><u>23,095</u></u>	<u><u>34,356</u></u>
<b>Equity</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
Share capital	<i>29</i>	51,659	51,659
Reserves	<i>30</i>	<u>(28,564)</u>	<u>(17,303)</u>
<b>Total equity</b>		<u><u>23,095</u></u>	<u><u>34,356</u></u>

**Consolidated Statement of Changes in Equity***For the year ended 30 September 2015*

	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Capital redemption reserve <i>HK\$'000</i> <i>(Note 1)</i>	Exchange difference reserve <i>HK\$'000</i> <i>(Note 2)</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 October 2013	51,659	457,804	2,450	160	(1,729)	(455,482)	54,862
Loss for the year	—	—	—	—	—	(15,992)	(15,992)
Other comprehensive income							
<i>Item that may be reclassified</i>							
<i>subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations	—	—	—	—	1,761	—	1,761
Total comprehensive income/(loss) for the year	—	—	—	—	1,761	(15,992)	(14,231)
At 30 September 2014 and 1 October 2014	51,659	457,804	2,450	160	32	(471,474)	40,631
Loss for the year	—	—	—	—	—	(23,345)	(23,345)
Other comprehensive income							
<i>Item that may be reclassified</i>							
<i>subsequently to profit or loss:</i>							
Exchange differences on translating foreign operations	—	—	—	—	5,809	—	5,809
Total comprehensive income/(loss) for the year	—	—	—	—	5,809	(23,345)	(17,536)
<b>At 30 September 2015</b>	<b>51,659</b>	<b>457,804</b>	<b>2,450</b>	<b>160</b>	<b>5,841</b>	<b>(494,819)</b>	<b>23,095</b>

*Notes:***(1) Capital redemption reserve**

The capital redemption reserve represents the repurchase of shares of the Company on The Stock Exchange of Hong Kong Limited during the financial year of 30 September 2000. These repurchased shares were cancelled upon repurchase and, accordingly, the nominal value of the cancelled shares was credited to capital redemption reserve and the aggregate consideration paid was debited to the retained earnings and share premium account.

**(2) Exchange difference reserve**

Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Hong Kong dollars) are recognised directly in other comprehensive income and accumulated in the exchange difference reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in note 3(g).

**Consolidated Statement of Cash Flows***For the year ended 30 September 2015*

	<b>2015</b>	<b>2014</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(23,365)	(15,972)
Adjustments for:		
Depreciation	1,163	1,219
Bad debts written off	25	211
Reversal of impairment loss recognised in respect of trade receivables	—	(414)
Fair value loss on financial assets at fair value through profit or loss	52	—
Loss on disposal of property, plant and equipment	—	171
Loss on written off of property, plant and equipment	10	—
Allowance for inventories	294	224
Reversal of allowance for inventories	(160)	(416)
Written off of inventories	67	7
Dividend income	(3)	—
Interest income	(31)	(6)
Interest expense	42	—
Unrealised foreign currency losses, net	<u>6,026</u>	<u>1,907</u>
Operating cash flows before movements in working capital	(15,880)	(13,069)
Decrease in inventories	1,782	2,208
Decrease in trade receivables	2,817	771
Increase in financial assets at fair value through profit or loss	(229)	—
(Increase)/decrease in prepayments, deposits and other receivables	(426)	693
(Decrease)/increase in trade payables	(23)	2,666
Increase/(decrease) in accrued charges and other payables	<u>3,595</u>	<u>(6,381)</u>
Cash used in operating activities	(8,364)	(13,112)
Profits tax paid	<u>(20)</u>	<u>—</u>
Net cash used in operating activities	<u>(8,384)</u>	<u>(13,112)</u>

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,416)	(181)
Proceeds from disposals of property, plant and equipment	—	16
Dividend received	3	—
Interest received	31	6
Increase in pledged time deposits	<u>(5,030)</u>	<u>—</u>
Net cash used in investing activities	<u>(6,412)</u>	<u>(159)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(32)	—
Increase in secured bank borrowings	<u>4,500</u>	<u>—</u>
Net cash generated from financing activities	<u>4,468</u>	<u>—</u>
<b>Net decrease in cash and cash equivalents</b>	(10,328)	(13,271)
<b>Cash and cash equivalents at the beginning of the year</b>	24,646	37,929
<b>Effect of foreign exchange rate changes</b>	<u>(20)</u>	<u>(12)</u>
<b>Cash and cash equivalents at the end of the year</b>	<u>14,298</u>	<u>24,646</u>
<b>Analysis of the balances of cash and cash equivalents</b>		
Cash and bank balances	<u>14,298</u>	<u>24,646</u>

## Notes to the Consolidated Financial Statements

For the year ended 30 September 2015

### 1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands on 9 December 1998 as an exempted company with limited liability and its shares have a primary listing on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and a secondary listing on Singapore Exchange Securities Trading Limited.

The registered office of the Company is P.O. Box 309, Ugland House, George Town, Grand Cayman KY1-1104, Cayman Islands and the principal place of business of the Company is located at 2903 Prosperity Place, 6 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.

The principal activity of the Company is investment holding and the principal activities of its principal subsidiaries are set out in note 17 to the consolidated financial statements.

The directors of the Company (the “Directors”) regard Optimum Pace International Limited, a company incorporated in the British Virgin Islands as the ultimate holding company.

### 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Group has applied, for the first time, the following new standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which are effective for the Group’s financial year beginning 1 October 2014.

HKAS 19 (As revised in 2011) (Amendments)	Defined Benefit Plans: Employee Contributions
HKAS 32 (Amendments)	Presentation — Offsetting Financial Assets and Financial Liabilities
HKAS 36 (Amendments)	Recoverable Amount Disclosures for Non-Financial Assets
HKAS 39 (Amendments)	Novation of Derivatives and Continuation of Hedge Accounting
HKFRSs (Amendments)	Annual improvements to HKFRSs 2010–2012 Cycle
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2011–2013 Cycle
HKFRS 10, HKFRS 12 and HKAS 27 (As revised in 2011) (Amendments)	Investment Entities
HK(IFRIC)-Int 21	Levies

#### HKAS 36 (Amendments) Recoverable Amount Disclosures for Non-Financial Assets

The Group has applied the amendments to HKAS 36 for the first time in the current year. The amendments to HKAS 36 remove the requirements to disclose the recoverable amount of a cash-generating unit (“CGU”) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal if impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 Fair Value Measurements.

Save as described above, the application of the new and revised HKFRSs in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

HKAS 1 (Amendments)	Disclosure Initiative <sup>1</sup>
HKAS 16 and HKAS 38 (Amendments)	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>1</sup>
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer Plants <sup>1</sup>
HKAS 27 (Amendments)	Equity Method in Separate Financial Statements <sup>1</sup>
HKFRSs (Amendments)	Annual Improvements to HKFRSs 2012–2014 Cycle <sup>1</sup>
HKFRS 9 (As revised in 2014)	Financial Instruments <sup>3</sup>
HKFRS 9, HKFRS 7 and HKAS 39 (Amendments)	Hedge Accounting and Amendments to HKFRS 9, HKFRS 7 and HKAS 39 <sup>3</sup>
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception <sup>1</sup>
HKFRS 11 (Amendments)	Accounting for Acquisitions of Interests in Joint Operations <sup>1</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>2</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2016.

<sup>2</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2018.

#### **HKFRS 9 (As revised in 2014) Financial Instruments**

HKFRS 9 (As revised in 2014) adds to the existing HKFRS 9. HKFRS 9 (As revised in 2014) introduces new impairment requirement for all financial assets that are not measured at fair value through profit or loss and amendments to the previously finalised classification and measurement requirements.

A new “expected loss” impairment model in HKFRS 9 (As revised in 2014) replaces the “incurred loss” model in HKAS 39 Financial Instruments: Recognition and Measurement. For financial assets at amortised cost or fair value through other comprehensive income, an entity will now always recognise (at a minimum) 12 months of expected losses in profit or loss. For trade receivables, there is a practical expedient to calculate expected credit losses using a provision matrix based on historical loss patterns or customer bases.

HKFRS 9 (As revised in 2014) also introduces additional application guidance to clarify the requirements for contractual cash flows of a financial asset to give rise to payments that are Solely Payments of Principal and Interest (“SPPI”), one of the two criteria that need to be met for an asset to be measured at amortised cost, which may result in additional financial assets being measured at amortised cost.

A third measurement category has also been added for debt instruments — fair value through other comprehensive income which applies to debt instruments that meet the SPPI contractual cash flow characteristic test.

The Group is in the process of assessing the potential impact of the above new and revised HKFRSs upon initial application but is not yet in a position to state whether the above new and revised HKFRSs will have a significant impact on the Group’s results of operations and financial position.

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group have been prepared in accordance with all applicable HKFRSs, which is a collective term that includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations (“Ints”) issued by the HKICPA and accounting principles generally accepted in Hong Kong. These financial statements also comply with the applicable disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The measurement basis used in the preparation of the consolidated financial statements is the historical cost convention.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2, leasing transactions that are within the scope of HKAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in HKAS 2 or value in use in HKAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies applied in the preparation of the consolidated financial statements of the Group and of the Company are set-out below. These policies have been consistently applied to all the year presented, unless otherwise stated.

#### (a) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

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

The 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 listed above.



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

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

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

All intragroup transactions, balances, income and expenses are eliminated in full on consolidation.

#### *Changes in the Group's ownership interests in existing subsidiaries*

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

#### **(b) Interests in subsidiaries**

Interests in subsidiaries are stated at cost less any allowance for impairment losses. The results of subsidiaries are accounted by the Company on the basis of dividend received or receivables.

#### **(c) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the "CODM"), who is responsible for allocating resources and assessing performance of the operating segments.

Unallocated costs represent corporate expenses. Segment assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment assets consist primarily of property, plant and equipment, inventories, receivables, other assets, operating cash and exclude mainly available-for-sale financial assets and tax recoverable. Segment liabilities comprise operating liabilities and exclude items such as tax payable, deferred tax and certain corporate provisions.

Geographical information is not presented as the majority of the Group's revenue is attributed to customers in Hong Kong and the majority of assets are located in Hong Kong.

#### **(d) Revenue recognition**

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

- i. Revenue from the sales of goods is recognised on the transfer of risks and rewards of ownership, which generally coincides with the time when the goods are delivered to customers and title has passed;
- ii. Service income is recognised when services are rendered;
- iii. Sales of financial assets are recognised on a trade date basis;

- iv. Interest income is recognised, on a time proportion basis taking into account the principal outstanding and the effective interest rate applicable; and
- v. Dividend income from financial assets at fair value through profit or loss is recognised when the Group's right to receive payment is established.

**(e) Property, plant and equipment**

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalised as an additional cost of that asset.

Depreciation is recognised so as to write off the cost of property, plant and equipment, using the straight-line method, over their estimated useful lives. The principal annual rates are as follows:

Computers and equipment	20–30%
Furniture and fixtures	20%
Leasehold improvements	20–100%

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

**(f) Leasing**

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

*The Company as lessee*

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(g) Foreign currencies**

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of exchange difference reserve (attributed to non-controlling interests as appropriate).

**(h) Borrowings**

Borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**(i) Employee benefits**

*Employee leave entitlements*

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

*Retirement benefit obligations*

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by an independent trustee. All contributions to the MPF Scheme are charged to profit or loss as incurred and reduced by contributions forfeited by those employees who leave the MPF Scheme prior to vesting fully in contributions.

The Group also undertakes mandatory pension schemes covering retirement benefits for its Taiwan employees as required by relevant legislations and regulations in Taiwan.

**(j) Taxation**

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

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

*Deferred tax*

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which

those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

#### *Current and deferred tax for the year*

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

#### **(k) Inventories**

Inventories are stated at the lower of cost and net realisable value. In general, costs are assigned to individual items on a weighted average basis. Net realisable value is the price at which inventories can be sold in the normal course of business after allowing for the costs of realisation.

#### **(l) Trade and other receivables**

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the allowance is recognised in the profit or loss.

#### **(m) Financial instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted

from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### *Financial assets*

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss (“FVTPL”), available-for-sale (“AFS”) financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

#### *Effective interest method*

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

Interest income is recognised on an effective interest basis for financial assets other than those financial assets classified as at fair value through profit or loss.

#### *Financial assets at FVTPL*

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group’s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and HKAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated as at FVTPL.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial assets.

#### *AFS financial assets*

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as AFS financial assets and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of AFS monetary financial assets relating to interest income calculated using the effective interest method and dividends on AFS equity investments are recognised in profit or loss. Other changes in the carrying amount of AFS financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

AFS equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment losses at the end of each reporting period.

#### *Loans and receivables*

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

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

#### *Impairment of financial assets*

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For AFS equity investments, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

When an AFS financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

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

In respect of AFS equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investment revaluation reserve. In respect of AFS debt investments, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### ***Financial liabilities and equity instruments***

#### *Classification as debt or equity*

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### *Equity instruments*

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

*Other financial liabilities*

Other financial liabilities (including trade payables, accrued charges and other payables and secured bank borrowings) are subsequently measured at amortised cost using the effective interest method.

*Effective interest method*

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

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

*Derecognition*

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group continues to recognise the asset to the extent of its continuing involvement and recognises an associated liability. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

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

**(n) Impairment of tangible assets**

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.



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

**(o) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

**(p) Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**(q) Contingent liabilities and contingent assets**

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

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

**(r) Related parties**

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control of the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the 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).

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

#### 4. FINANCIAL INSTRUMENTS

##### Financial risk management objectives and policies

The Group's major financial instruments include AFS financial assets, trade receivables, deposits and other receivables, financial assets at FVTPL, pledged time deposits, cash and bank balances, trade payables, accrued charges and other payables and secured bank borrowings. Details of these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

##### Categories of financial instruments

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Financial assets</b>		
Loans and receivables (including cash and bank balances)	27,910	35,769
AFS financial assets	5,950	5,950
Financial assets at FVTPL	<u>177</u>	<u>—</u>
<b>Financial liabilities</b>		
Amortised costs	<u>16,850</u>	<u>8,775</u>

##### Financial risk factors

The Group is exposed to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk, which result from both its operating and investing activities. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Management regularly manages the financial risks of the Group. Because of the simplicity of the financial structure and the current operations of the Group, no major hedging activities are undertaken by management.

**(a) Market risk***Foreign exchange risk*

The Group operates mainly in Hong Kong, principally with respect to Hong Kong Dollars. Hong Kong Dollars are pegged to the United States Dollars and the foreign exchange sale exposure between them are considered limited.

*Cash flow and fair value interest rate risk*

The Group considers that there is no significant fair value interest rate risk as the Group does not have fixed rate borrowings.

The Group is mainly exposed to cash flow interest rate risk in relation to variable rate bank balances and a variable rate bank borrowing carrying prevailing interest rates at Hong Kong Interbank Offered Rate (HIBOR).

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

In the opinion of the Directors, the reasonably possible change in interest rates for bank balances and the variable rate bank borrowing is insignificant. No sensitivity analysis is presented.

*Price risk*

The Group's equity investments classified as financial assets at FVTPL which is measured at fair value at the end of each reporting period and expose the Group to price risk.

The Group's equity price risk is mainly concentrated on listed equity securities which are quoted on the Stock Exchange. The management will monitor the price movements and take appropriate actions when it is required.

No sensitivity analysis is presented as the Group's financial results are not significantly affected by equity investment price risk.

**(b) Credit risk**

The carrying amounts of trade and other receivables included in the consolidated statement of financial position represent the Group's maximum exposure to credit risk in relation to the Group's financial assets. No other financial assets carry a significant exposure to credit risk.

In order to minimise the credit risk, the management of the Group has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In this regards, the Directors consider that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical location is mainly in Hong Kong. The Group also has concentration of credit risk by customers of approximately 35% (2014: 74%) and 49% (2014: 79%) of total trade receivables was due from the Group's largest customer and the two largest customers respectively.

The Group performs ongoing credit evaluation of its customers' financial condition and requires no collateral from its customers. The impairment loss in trade receivables is based upon a review of the expected collectability of all trade receivables.

**(c) Liquidity risk**

The Group manages its liquidity risk by regularly monitoring current and expected liquidity requirements and ensuring sufficient cash and cash equivalent to meet the Group's liquidity requirements in the short and long term. In addition, the management of the Group continuously monitors forecast and actual cash flows and matches the maturity profiles of financial assets and liabilities.

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables below have been drawn up based on the contractual maturities of the undiscounted financial liabilities including interest that will accrue to those liabilities except when the Group is entitled and intends to repay the liability before its maturity.

*At 30 September 2015*

	Weighted average effective interest rate	Within 1 year <i>HK\$'000</i>	Between 1 and 5 years <i>HK\$'000</i>	Over 5 years <i>HK\$'000</i>	Total contractual undiscounted cash flow <i>HK\$'000</i>	Total carrying amount <i>HK\$'000</i>
<b>Non-derivative financial liabilities</b>						
Trade payables	—	4,339	—	—	4,339	4,339
Accrued charges and other payables	—	8,011	—	—	8,011	8,011
Secured bank borrowings	2.77%	4,505	—	—	4,505	4,500
		<u>16,855</u>	<u>—</u>	<u>—</u>	<u>16,855</u>	<u>16,850</u>

*At 30 September 2014*

	Weighted average effective interest rate	Within 1 year <i>HK\$'000</i>	Between 1 and 5 years <i>HK\$'000</i>	Over 5 years <i>HK\$'000</i>	Total contractual undiscounted cash flow <i>HK\$'000</i>	Total carrying amount <i>HK\$'000</i>
<b>Non-derivative financial liabilities</b>						
Trade payables	—	4,362	—	—	4,362	4,362
Accrued charges and other payables	—	4,413	—	—	4,413	4,413
		<u>8,775</u>	<u>—</u>	<u>—</u>	<u>8,775</u>	<u>8,775</u>

**Fair value measurement***Fair value of the Group's financial assets that are measured at fair value on a recurring basis*

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements are observable.

	Fair value at 30 September 2015 <i>HK\$'000</i>	Fair value at 30 September 2014 <i>HK\$'000</i>	Fair value hierarchy	Valuation techniques and key inputs
<b>Financial assets</b>				
Financial assets at FVTPL				
— Listed equity securities	177	—	Level 1	Quoted bid prices in active markets

There were no transfers between Level 1, 2 and 3 in the current and prior year.

Except the above financial assets that are measured at fair value on a recurring basis, the Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values at the end of the reporting period.

**Capital risk management**

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debts (which include variable rate bank borrowings), cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves. The Directors review the capital structure on a continuous basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital. Based on recommendations of the Directors, the Group will balance its overall capital structure through the payment of dividends, issuance of new share as well as the addition of new borrowings.

The Group monitors its capital on the basis of the gearing ratio of bank borrowings over total assets. The Group aims to maintain the gearing ratio at a reasonable level.

The gearing ratios at the balance sheet dates are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Bank borrowings ( <i>note 28</i> )	4,500	—
Total assets	39,945	49,426
Gearing ratios	11.3%	N/A

## 5. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

### (a) Impairment of trade and other receivables

The impairment of trade and other receivables are based on the ongoing evaluation of collectability and aging analysis of the outstanding receivables and on management's judgement. From time to time, the Group may experience delays in collection. Where recoverability of trade and other debtor balances are called into doubts, resulting in an impairment of their ability to make payments, provision may be required. Certain receivables may be initially identified as collectable, yet subsequently become uncollectable and result in a subsequent write-off of the related receivable to profit or loss. Changes in the collectability of trade and other receivables for which provisions are not made could affect our results of operations.

### (b) Useful lives of property, plant and equipment

The Group estimates the useful lives of property, plant and equipment to determine the amount of depreciation expenses to be recorded. The useful lives are estimated at the time the asset is acquired based on historical experience, the expected usage, wear and tear of the assets, and technical obsolescence arising from changes in the market demands or service output of the assets. The Group also performs annual reviews on whether the assumptions made on useful lives continue to be valid. The Group tests annually whether the assets have suffered any impairment. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates.

### (c) Allowance for slow-moving inventories

Inventories are stated at the lower of cost and net realisable value. Assessment of net realisable value is based primarily on the latest invoice prices and current market conditions. The Group also carries out review of inventories on a product-by-product basis at the end of each reporting period and makes allowance for slow-moving items.

## 6. SEGMENT INFORMATION

The Group's operating segments based on information reported to the CODM for the purpose of resource allocation and performance assessment are as follows:

- (i) Trading of telecommunications products
- (ii) Provision of repair services
- (iii) Investments in financial assets

Information regarding the Group's reportable segments for the years ended 30 September 2015 and 2014 is presented as follows:

(a) Segment revenue and results

	2015			Consolidated HK\$'000
	Trading of telecommunications products HK\$'000	Provision of repair services HK\$'000	Investments in financial assets HK\$'000	
Turnover	<u>5,788</u>	<u>80,927</u>	<u>(20)</u>	<u>86,695</u>
Segment results	<u>(2,714)</u>	<u>(3,128)</u>	<u>(17)</u>	(5,859)
Interest income				31
Finance costs				(42)
Unallocated expenses				<u>(17,495)</u>
Loss before taxation				(23,365)
Taxation				<u>20</u>
Loss for the year				<u>(23,345)</u>
	2014			
	Trading of telecommunications products HK\$'000	Provision of repair services HK\$'000	Investments in financial assets HK\$'000	Consolidated HK\$'000
Turnover	<u>7,885</u>	<u>81,900</u>	<u>—</u>	<u>89,785</u>
Segment results	<u>(1,727)</u>	<u>1,193</u>	<u>3</u>	(531)
Interest income				3
Unallocated income				374
Unallocated expenses				<u>(15,818)</u>
Loss before taxation				(15,972)
Taxation				<u>(20)</u>
Loss for the year				<u>(15,992)</u>

Turnover reported above represents turnover generated from external customers. There are no intersegment sales for the year ended 30 September 2015 (2014: HK\$ Nil).

Segment result represents the result generated from each segment without allocation of central administrative costs including directors' salaries, staff costs, legal and professional fees and taxation. This is the measure reported to the CODM for the purpose of resource allocation and assessment of segment performance.

## (b) Segment assets and liabilities

	2015			
	Trading of telecommunications products <i>HK\$'000</i>	Provision of repair services <i>HK\$'000</i>	Investments in financial assets <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	7,395	13,756	8,811	29,962
AFS financial assets				5,950
Unallocated corporate assets				4,033
Consolidated total assets				39,945
Segment liabilities	(259)	(10,965)	—	(11,224)
Unallocated corporate liabilities				(5,626)
Consolidated total liabilities				(16,850)
	2014			
	Trading of telecommunications products <i>HK\$'000</i>	Provision of repair services <i>HK\$'000</i>	Investments in financial assets <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Segment assets	10,895	17,424	8,633	36,952
AFS financial assets				5,950
Unallocated corporate assets				6,524
Consolidated total assets				49,426
Segment liabilities	(254)	(5,306)	—	(5,560)
Unallocated corporate liabilities				(3,235)
Consolidated total liabilities				(8,795)

For the purpose of monitoring segment performance and allocating resources between segments:

- i) All assets are allocated to reportable segments other than AFS financial assets, tax recoverable and unallocated corporate assets; and
- ii) All liabilities are allocated to reportable segments other than current tax liabilities and unallocated corporate liabilities.



## (c) Other segment information

	2015				
	Trading of telecommunications products <i>HK\$'000</i>	Provision of repair services <i>HK\$'000</i>	Investments in financial assets <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Capital expenditure	—	1,369	—	47	1,416
Depreciation	18	390	—	755	1,163
Loss on written off of property, plant and equipment	—	—	—	10	10
	<u>—</u>	<u>—</u>	<u>—</u>	<u>10</u>	<u>10</u>
	2014				
	Trading of telecommunications products <i>HK\$'000</i>	Provision of repair services <i>HK\$'000</i>	Investments in financial assets <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Capital expenditure	5	111	—	65	181
Depreciation	37	312	—	870	1,219
Reversal of impairment loss recognised in respect of trade receivables	(414)	—	—	—	(414)
Loss on disposal of property, plant and equipment	14	13	—	144	171
	<u>14</u>	<u>13</u>	<u>—</u>	<u>144</u>	<u>171</u>

## (d) Geographical segments

During the year ended 30 September 2015, more than 94% (2014: more than 94%) of the Group's turnover and total assets were derived from and located in Hong Kong. Therefore, no geographical segment for the respective years is presented.

## (e) Information about major customers

During the year, the turnover from the Group's largest customer arising from provision of repair services amounted to 63% (2014: 62%) of the Group's total turnover. No other single customers contributed 10% or more to the Group's turnover for both of the years ended 30 September 2015 and 2014.

## 7. TURNOVER

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Sales of goods	5,788	7,885
Provision of repair services	80,927	81,900
Loss from financial assets at FVTPL, net	(20)	—
	<u>86,695</u>	<u>89,785</u>

**8. OTHER REVENUE**

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Dividend income	3	—
Interest income	31	6
Sundry income	47	102
	<u>81</u>	<u>108</u>

**9. OTHER INCOME**

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Reversal of impairment loss recognised in respect of trade receivables	—	414
Others	—	684
	<u>—</u>	<u>1,098</u>

**10. FINANCE COSTS**

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Interest expenses on secured bank borrowings wholly repayable within five years	42	—
	<u>42</u>	<u>—</u>

**11. LOSS BEFORE TAXATION**

Loss before taxation has been arrived at after charging/(crediting):

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Auditors' remuneration:		
Auditors of the Company	1,400	1,250
Other auditors	105	72
Cost of trading inventories sold	2,675	6,408
Employee benefit expenses ( <i>note 31</i> )	26,885	24,360
Retirement benefit costs ( <i>note 31</i> )	1,095	1,076
Depreciation	1,163	1,219
Bad debts written off*	25	211
Loss on disposal of property, plant and equipment*	—	171
Loss on written off of property, plant and equipment*	10	—
Allowance for inventories	294	224
Reversal of allowance for inventories	(160)	(416)
Written off of inventories	67	7
Operating lease rental in respect of rental premises	3,630	3,189
Exchange losses, net*	6,023	1,861
	<u>6,023</u>	<u>1,861</u>

\* *Items included in other operating expenses.*

## 12. TAXATION

	2015 HK\$'000	2014 HK\$'000
<b>Current tax:</b>		
Hong Kong Profits Tax:		
Current year	<u>(20)</u>	<u>20</u>

*Note:*

Hong Kong Profits Tax is calculated at 16.5% (2014: 16.5%) on the estimated assessable profits for the year. Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The tax (credit)/charge for the years are reconciled to the loss before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

	2015		2014	
	HK\$'000	%	HK\$'000	%
Loss before taxation	<u>(23,365)</u>		<u>(15,972)</u>	
Tax at statutory tax rate	(3,855)	(16.5)	(2,635)	(16.5)
Tax effect of expenses that are not deductible in determining taxable profit	1,580	6.7	3,090	19.4
Tax effect of income that is not taxable in determining taxable profit	(380)	(1.6)	(2,183)	(13.7)
Utilisation of tax losses previously not recognised	—	—	(649)	(4.1)
Unrecognised tax losses	2,619	11.2	2,288	14.3
Unrecognised deductible temporary differences	<u>16</u>	<u>0.1</u>	<u>109</u>	<u>0.7</u>
Tax (credit)/charge and effective tax rate for the year	<u>(20)</u>	<u>(0.1)</u>	<u>20</u>	<u>0.1</u>

**The Group**

At 30 September 2015, the Group has cumulative tax losses of approximately HK\$237,949,000 (2014: HK\$223,407,000) available for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of the estimated tax losses of HK\$237,949,000 (2014: HK\$223,407,000) due to uncertainty of future profit streams.

**The Company**

At 30 September 2015, the Company has estimated unused tax losses of approximately HK\$181,223,000 (2014: HK\$172,596,000) available for offsetting against future taxable profits. Tax losses may be carried forward indefinitely. No deferred tax assets have been recognised due to uncertainty of future profits streams.

## 13. LOSS FOR THE YEAR

The Group's consolidated loss attributable to owners of the Company for the year is approximately HK\$23,345,000 (2014: loss of HK\$15,992,000) of which loss of approximately HK\$11,261,000 (2014: profit of HK\$3,887,000) is dealt with in the financial statements of the Company.

**14. DIVIDENDS**

The Directors do not recommend the payment of any dividend for the year ended 30 September 2015 (2014: HK\$ Nil).

**15. LOSS PER SHARE**

The calculation of the basic loss per share is based on the loss attributable to owners of the Company of approximately HK\$23,345,000 (2014: loss of HK\$15,992,000) and on 5,165,973,933 (2014: 5,165,973,933) ordinary shares in issue during the year.

The diluted loss per share for the years ended 30 September 2015 and 2014 was the same as basic loss per share as there were no potential outstanding shares for the years.

**16. PROPERTY, PLANT AND EQUIPMENT****The Group**

	Leasehold improvements <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Computers and equipment <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Cost:</b>				
At 1 October 2013	3,194	999	5,462	9,655
Exchange difference	(7)	—	(8)	(15)
Additions	17	40	124	181
Disposal	(516)	(24)	(569)	(1,109)
At 30 September 2014 and 1 October 2014	2,688	1,015	5,009	8,712
Additions	888	101	427	1,416
Written off	(704)	—	—	(704)
<b>At 30 September 2015</b>	<u>2,872</u>	<u>1,116</u>	<u>5,436</u>	<u>9,424</u>
<b>Accumulated depreciation and impairment losses:</b>				
At 1 October 2013	1,300	448	4,003	5,751
Exchange difference	(4)	—	(7)	(11)
Charge for the year	418	186	615	1,219
Eliminated on disposal	(403)	(11)	(508)	(922)
At 30 September 2014 and 1 October 2014	1,311	623	4,103	6,037
Charge for the year	423	181	559	1,163
Eliminated on written off	(694)	—	—	(694)
<b>At 30 September 2015</b>	<u>1,040</u>	<u>804</u>	<u>4,662</u>	<u>6,506</u>
<b>Carrying amounts:</b>				
<b>At 30 September 2015</b>	<u><u>1,832</u></u>	<u><u>312</u></u>	<u><u>774</u></u>	<u><u>2,918</u></u>
At 30 September 2014	<u><u>1,377</u></u>	<u><u>392</u></u>	<u><u>906</u></u>	<u><u>2,675</u></u>

## 17. INTERESTS IN SUBSIDIARIES

	2015 HK\$'000	2014 HK\$'000
Unlisted shares, at cost	191,093	191,093
Impairment loss recognised	<u>(168,593)</u>	<u>(166,329)</u>
	<u>22,500</u>	<u>24,764</u>

Details of the Company's principal subsidiaries at 30 September 2015 and 2014 are as follows:

Name of subsidiaries	Place of incorporation/ operation	Particulars of fully paid up capital	Percentage of equity attributable to the Company		Principal activities
			2015 %	2014 %	
			Indirectly held		
Ample Vision Holdings Limited	British Virgin Islands/ Hong Kong	US\$1 Ordinary	100	100	General trading
Camdenville Group Limited	British Virgin Islands/ Hong Kong	US\$1 Ordinary	100	100	Trading of telecommunications products
Linktech Hong Kong Limited	Hong Kong	HK\$2 Ordinary	100	100	Provision of repair services
Techglory Hong Kong Limited	Hong Kong	HK\$1 Ordinary	100	100	General trading

The above table lists the subsidiaries of the Company which, in the opinion of the Directors, principally affect the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the Directors, result in particulars of excessive length.

The carrying amounts of the interests in subsidiaries are reduced to their recoverable amounts which are determined by reference to the estimation of future cash flows expected to be generated from the respective subsidiaries.

## 18. AMOUNTS DUE FROM SUBSIDIARIES

	2015 HK\$'000	2014 HK\$'000
Amounts due from subsidiaries	<u>5,171</u>	<u>11,189</u>

The amounts due from subsidiaries grouped under current assets are unsecured, interest-free and recoverable on demand.

## 19. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2015 HK\$'000	2014 HK\$'000	2015 HK\$'000	2014 HK\$'000
At the beginning and the end of the year	<u>5,950</u>	<u>5,950</u>	<u>5,300</u>	<u>5,300</u>
AFS financial assets at 30 September, comprise of				
<b>Unlisted debt securities:</b>				
Club debentures ( <i>note</i> )	<u>5,950</u>	<u>5,950</u>	<u>5,300</u>	<u>5,300</u>

*Note:*

The club debentures are stated at cost less impairment loss at the end of each reporting period because the range of reasonable fair value estimates is so significant that the Directors consider that their fair values cannot be measured reliably. During the years ended 30 September 2015 and 2014, the Group identified no impairment loss related to the club debentures.

## 20. INVENTORIES

**The Group**

	2015 HK\$'000	2014 HK\$'000
Finished goods	2,504	4,527
Less: Allowance for slow-moving inventories	<u>(232)</u>	<u>(272)</u>
	<u>2,272</u>	<u>4,255</u>

## 21. TRADE RECEIVABLES

At the end of the reporting periods, the aging analysis of the trade receivables is as follows:

**The Group**

	2015 HK\$'000	2014 HK\$'000
Current	531	3,190
One to three months overdue	383	340
More than three months, but less than twelve months overdue	50	993
Over twelve months overdue	<u>139,586</u>	<u>138,917</u>
	140,550	143,440
Less: Impairment loss recognised	<u>(139,241)</u>	<u>(139,287)</u>
	<u>1,309</u>	<u>4,153</u>

*Notes:*

- (a) The credit terms granted to the Group's customers vary and are generally the results of negotiations between the Group and individual customers.

- (b) Included in the trade receivable balances are debtors with an aggregate carrying amount of approximately HK\$778,000 (2014: HK\$963,000) which are overdue at the reporting date for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable, as there is an agreed repayment plan. The Group does not hold any collateral over these balances.

The aging analysis of the trade receivables which are overdue but not impaired is as follows:

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
One to three months overdue	383	340
More than three months, but less than twelve months overdue	50	623
Over twelve months overdue	<u>345</u>	<u>—</u>
	<u><u>778</u></u>	<u><u>963</u></u>

- (c) The movement of the allowance for impairment loss of trade receivables is as follows:

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
At the beginning of the year	139,287	139,722
Reversal of impairment loss recognised	—	(414)
Exchange difference	<u>(46)</u>	<u>(21)</u>
At the end of the year	<u><u>139,241</u></u>	<u><u>139,287</u></u>

- (d) The aging analysis of the Group's trade receivables which are impaired is as follows:

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
More than three months, but less than twelve months overdue	—	370
Over twelve months overdue	<u>139,241</u>	<u>138,917</u>
	<u><u>139,241</u></u>	<u><u>139,287</u></u>

## 22. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	<b>The Group</b>		<b>The Company</b>	
	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Prepayments	698	777	266	335
Deposits	4,921	4,538	—	—
Other receivables	<u>2,352</u>	<u>2,432</u>	<u>—</u>	<u>—</u>
	<u><u>7,971</u></u>	<u><u>7,747</u></u>	<u><u>266</u></u>	<u><u>335</u></u>

**23. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS****The Group**

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Held-for-trading:		
— Listed equity securities in Hong Kong	<u>177</u>	<u>—</u>

All financial assets at FVTPL are stated at fair values. Fair values of the listed investments are determined with reference to the quoted market bid prices available on the Stock Exchange.

**24. PLEDGED TIME DEPOSITS**

The balances, which were carried at the prevailing market interest rate, represent deposits pledged to a bank to secure short-term bank borrowings (note 28) granted to the Group, and therefore classified as current assets. The pledged deposits will be released upon expiry or termination or upon the settlement of relevant bank borrowings. At 30 September 2015, all the pledged time deposits were denominated in Hong Kong Dollars.

**25. CASH AND BANK BALANCES**

	<b>The Group</b>		<b>The Company</b>	
	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Cash at bank and in hand	<u>14,298</u>	<u>24,646</u>	<u>244</u>	<u>607</u>

*Notes:*

- (a) Cash at bank earns interest at floating rates based on daily bank deposit rates.
- (b) The Group's and the Company's bank balances are denominated in the following currencies:

	<b>The Group</b>		<b>The Company</b>	
	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Hong Kong Dollars	13,357	23,687	244	607
United States Dollars	684	572	—	—
New Taiwan Dollars	182	305	—	—
Others	<u>75</u>	<u>82</u>	<u>—</u>	<u>—</u>
	<u>14,298</u>	<u>24,646</u>	<u>244</u>	<u>607</u>



**26. TRADE PAYABLES**

At the end of the reporting periods, the aging analysis of the trade payables is as follows:

**The Group**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Current and within one month	4,321	4,279
One to three months overdue	8	11
Over three months overdue	<u>10</u>	<u>72</u>
	<u>4,339</u>	<u>4,362</u>

**27. ACCRUED CHARGES AND OTHER PAYABLES**

	<b>The Group</b>		<b>The Company</b>	
	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Accrued charges	719	600	360	348
Other payables	<u>7,292</u>	<u>3,813</u>	<u>4,795</u>	<u>2,519</u>
	<u>8,011</u>	<u>4,413</u>	<u>5,155</u>	<u>2,867</u>

**28. SECURED BANK BORROWINGS****The Group**

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
<b>Carrying amounts of secured bank borrowings repayable:</b>		
— Within one year	<u>4,500</u>	<u>—</u>

*Note:*

Secured bank borrowings are secured by the pledged time deposits, carried interested rates at HIBOR plus 2.5% per annum and denominated in Hong Kong Dollars.

**29. SHARE CAPITAL**

	<i>Number of shares</i>	<i>HK\$'000</i>
Ordinary shares of HK\$0.01each		
<b>Authorised</b>		
At 1 October 2013, 30 September 2014 and 30 September 2015	<u>20,000,000,000</u>	<u>200,000</u>
<b>Issued and fully paid</b>		
At 1 October 2013, 30 September 2014 and 30 September 2015	<u>5,165,973,933</u>	<u>51,659</u>

**30. RESERVES****The Company**

	<b>Share premium HK\$'000</b>	<b>Capital redemption reserve HK\$'000</b>	<b>Accumulated losses HK\$'000</b>	<b>Total HK\$'000</b>
At 1 October 2013	648,897	160	(670,247)	(21,190)
Profit for the year	<u>—</u>	<u>—</u>	<u>3,887</u>	<u>3,887</u>
At 30 September 2014 and 1 October 2014	648,897	160	(666,360)	(17,303)
Loss for the year	<u>—</u>	<u>—</u>	<u>(11,261)</u>	<u>(11,261)</u>
<b>At 30 September 2015</b>	<b><u>648,897</u></b>	<b><u>160</u></b>	<b><u>(677,621)</u></b>	<b><u>(28,564)</u></b>

At 30 September 2015, the Company has no distributable reserve (2014: HK\$ Nil), represented by share premium less accumulated losses of the Company. Under the Companies Law (2013 Revision) of the Cayman Islands, share premium of the Company is distributable to the members, subject to a solvency test.

**31. EMPLOYEE BENEFIT EXPENSES****(a) Staff cost**

The total staff cost of the Group during the year (including directors and senior management emoluments) is as follows:

	<b>2015 HK\$'000</b>	<b>2014 HK\$'000</b>
Salaries and allowances	26,603	23,915
Discretionary bonuses	54	107
Staff welfare	228	338
Contributions to retirement fund	<u>1,095</u>	<u>1,076</u>
	<b><u>27,980</u></b>	<b><u>25,436</u></b>

## (b) Directors and senior management emoluments

The emoluments of the Directors are as follows:

Name of Directors	Year ended 30 September 2015			
	Fees HK\$'000	Salaries and allowances HK\$'000	Contributions to retirement fund HK\$'000	Total HK\$'000
<i>Executive Directors</i>				
Mr. SY Ethan, Timothy	—	—	—	—
Mr. SUNG Yee Keung, Ricky	—	360	18	378
<i>Non-executive Director</i>				
Mr. KO Wai Lun, Warren	300	—	—	300
<i>Independent non-executive Directors</i>				
Mr. Andrew David ROSS	420	—	—	420
Mr. Geoffrey William FAWCETT	300	—	—	300
Mr. Charles Robert LAWSON	300	—	—	300
	<u>1,320</u>	<u>360</u>	<u>18</u>	<u>1,698</u>
Name of Directors	Year ended 30 September 2014			
	Fees HK\$'000	Salaries and allowances HK\$'000	Contributions to retirement fund HK\$'000	Total HK\$'000
<i>Executive Directors</i>				
Mr. SY Ethan, Timothy	—	—	—	—
Mr. SUNG Yee Keung, Ricky	—	360	18	378
<i>Non-executive Director</i>				
Mr. KO Wai Lun, Warren	300	—	—	300
<i>Independent non-executive Directors</i>				
Mr. Andrew David ROSS	420	—	—	420
Mr. Geoffrey William FAWCETT	300	—	—	300
Mr. Charles Robert LAWSON	300	—	—	300
	<u>1,320</u>	<u>360</u>	<u>18</u>	<u>1,698</u>

Certain Directors have waived emoluments for both of the years ended 30 September 2015 and 2014 and up to the dates of reports:

Name of Directors	Year ended 30 September 2015			From 1 October 2015 to the date of the report		
	Fees	Salaries and allowances	Contributions to retirement fund	Fees	Salaries and allowances	Contributions to retirement fund
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Executive Director</i>						
Mr. SY Ethan, Timothy	—	18,000	900	—	2,750	138
<i>Non-executive Director</i>						
Mr. KO Wai Lun, Warren	120	—	—	18	—	—
<i>Independent non-executive Directors</i>						
Mr. Andrew David ROSS	180	—	—	28	—	—
Mr. Geoffrey William FAWCETT	120	—	—	18	—	—
Mr. Charles Robert LAWSON	120	—	—	18	—	—
<hr/>						
Name of Directors	Year ended 30 September 2014			From 1 October 2014 to 17 December 2014		
	Fees	Salaries and allowances	Contributions to retirement fund	Fees	Salaries and allowances	Contributions to retirement fund
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Executive Director</i>						
Mr. SY Ethan, Timothy	—	18,000	900	—	3,823	191
<i>Non-executive Director</i>						
Mr. KO Wai Lun, Warren	120	—	—	25	—	—
<i>Independent non-executive Directors</i>						
Mr. Andrew David ROSS	180	—	—	38	—	—
Mr. Geoffrey William FAWCETT	120	—	—	25	—	—
Mr. Charles Robert LAWSON	120	—	—	25	—	—

No amounts have been paid by the Group to the Directors as inducement to join the Group, as compensation for loss of office or as commitment fees to existing Directors for entering into new service contracts with the Group for the year ended 30 September 2015 (2014: HK\$ Nil).

Apart from the aforesaid, no other emoluments have been paid to the Directors for the year ended 30 September 2015 (2014: HK\$ Nil).

**(c) Five highest paid individuals**

The five individuals with the highest emoluments in the Group for the year included no (2014: no) Directors whose emoluments are set out in note 31(b). The aggregate of the emoluments payable in respect of the five (2014: five) highest paid individuals of which do not include any senior management during the year are as follows:

	2015 <i>HK\$'000</i>	2014 <i>HK\$'000</i>
Salaries and allowances	2,077	2,350
Contributions to retirement fund	<u>102</u>	<u>113</u>
	<u>2,179</u>	<u>2,463</u>
	<b>Number of individual</b>	
	<b>2015</b>	<b>2014</b>
Emolument bands:		
HK\$ Nil to HK\$1,000,000	<u>5</u>	<u>5</u>

**32. SHARE OPTION SCHEME**

The Company adopted a share option scheme (the “Scheme”) on 6 March 2015 pursuant to which employees and directors of the Group and other eligible persons who have made contribution to the Group were given opportunity to obtain equity holdings in the Company.

A summary of the Scheme is set out as follows:

**(a) Purpose of the Scheme**

The purpose of the Scheme is to enable the Company to grant share options to selected participants as incentives or rewards for their contribution to the Group.

**(b) Participants of the Scheme**

Eligible participants include full time employees and directors of the Company or its subsidiaries; advisers, consultants, suppliers and agents to the Company or its subsidiaries and such other persons who, at the sole determination of the board of directors, have contributed to the Group.

**(c) Total number of shares available for issue under the Scheme and percentage of issued share capital at the date of this annual report**

No share option had been granted under the Scheme and no share is available for issue under the Scheme at the date of this annual report.

**(d) Maximum entitlement of each participant under the Scheme**

The total number of shares issued and to be issued upon exercise of the options granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by shareholders in general meeting.

**(e) The period within which the shares must be taken up under an option**

At any time during a period to be notified by the board of directors, which period not to exceed 10 years commencing on the date on which the option is accepted and expiring on a day not later than the last day of the 10-year period.

**(f) The minimum period for which an option must be held before it can be exercised**

None, unless otherwise determined by the board of directors and specified in the offer letter of an option.

**(g) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid**

HK\$1.00 is to be paid as consideration for the grant of option within 30 days from the date of offer.

**(h) The basis of determining the exercise price**

The exercise price shall be determined by the board of directors but shall not be less than the highest of:

- (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of offer;
- (ii) the average closing price of the shares as stated in the daily quotations sheet of the Stock Exchange for the 5 business days immediately preceding the date of offer; and
- (iii) the nominal value of a share.

**(i) The remaining life of the Scheme**

The Scheme shall be valid and effective for a period of 10 years commencing on the adoption date on 6 March 2015.

No share option has been granted under the Scheme since its adoption.

**33. MATERIAL RELATED PARTY TRANSACTIONS**

Save as disclosed elsewhere in the consolidated financial statements, the Group had the following material related party transactions during the year:

**Key management personnel compensation**

Compensation for key management personnel, including amount paid to the Directors, as disclosed in note 31(b), is as follows:

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Salaries and allowances	1,680	1,680
Contributions to retirement fund	<u>18</u>	<u>18</u>
	<u><u>1,698</u></u>	<u><u>1,698</u></u>

**34. OPERATING LEASE COMMITMENTS**

The Group leases certain of its properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to five years.

At the end of reporting periods, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	<b>2015</b> <i>HK\$'000</i>	<b>2014</b> <i>HK\$'000</i>
Within one year	2,564	1,672
In the second to fifth years, inclusive	<u>2,355</u>	<u>829</u>
	<u><u>4,919</u></u>	<u><u>2,501</u></u>

**35. CONTINGENT LIABILITIES**

The Group and the Company did not have any significant contingent liabilities at the end of the reporting periods.

**36. AUTHORISATION FOR ISSUE OF CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorised for issue by the Directors on 25 November 2015.

**3. MATERIAL CHANGE**

The Directors confirm that there had been no material change in the financial or trading position or outlook of the Group since 30 September 2015, being the date to which the last published audited financial statements of the Company were made up, and up to and including the Latest Practicable Date.

**4. INDEBTEDNESS**

As at the close of business on 31 December 2015, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Document, the Group had secured bank borrowings of HK\$4,500,000.

Save as aforesaid and apart from the intra-group liabilities, as at 31 December 2015, the Group did not have other loan capital issued and outstanding, or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or contingent liabilities. The Directors have confirmed that there had not been any material change in the indebtedness or contingent liabilities of the Group since 31 December 2015 and up to the Latest Practicable Date.

## 1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Listing Rules and the Takeovers Code for the purpose of giving information with regard to the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinion expressed by the Offeror, its ultimate beneficial owners and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

The directors of the Offeror and CITIC Guoan Group accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, the Vendor and parties acting in concert with any one of them), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinion expressed by the Group, the Vendor and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

## 2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the authorised and issued ordinary share capital of the Company was as follows:

(a) <i>Authorised:</i>	<i>HK\$</i>
<u>20,000,000,000</u> Shares as at the Latest Practicable Date	<u>200,000,000.00</u>
(b) <i>Issued and fully paid up:</i>	
<u>5,165,973,933</u> Shares as at the Latest Practicable Date	<u>51,659,739.33</u>

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. Since 30 September 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up, and up to the Latest Practicable Date, the Company has not issued any Shares.

As at the Latest Practicable Date, save for 5,165,973,933 Shares in issue, the Company does not have other class of securities, outstanding options, derivatives, warrants or other securities which are convertible or exchangeable into Shares.



### 3. MARKET PRICES

The table below shows the closing market prices of the Shares as quoted on the Stock Exchange on (a) the Latest Practicable Date; (b) the Last Trading Day; and (c) at the end of each such calendar month during the Relevant Period.

Date	Closing Price per Share (HK\$)
29 May 2015	0.1340
30 June 2015	0.1250
31 July 2015	0.0800
31 August 2015	0.0620
30 September 2015	0.0650
30 October 2015	0.1190
30 November 2015	suspended
11 December 2015, being the Last Trading Day ( <i>Note 1</i> )	0.1250
31 December 2015	0.4400
Latest Practicable Date	0.2240

*Note 1:* This is the closing price as quoted on the Stock Exchange on the Last Trading Day. The Shares were suspended from trading from the Last Trading Day and resumed trading on 18 December 2015.

During the Relevant Period, the highest closing price of the Shares was HK\$0.500 per Share as quoted on the Stock Exchange on 4 January 2016 and the lowest closing price of the Shares was HK\$0.058 per Share as quoted on the Stock Exchange on 8 July 2015.

### 4. DISCLOSURE OF INTERESTS UNDER THE SFO

#### (i) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests of the Directors and their associates in the securities of the Company were as follows:

Name of Director	Type of interest	Number of Shares held (Long position)	Approximate % of the issued Shares
Mr. SUNG Yee Keung, Ricky	Beneficial owner	72,913,303 ( <i>Note</i> )	1.41%

*Note:* These Shares include 250,000 Shares which were jointly owned by Ms. SUNG Mei Ling, the sister of Mr. SUNG Yee Keung, Ricky

The abovementioned Director would intend (i) not to accept the Offer if the market price of the Shares continues to be above the Offer Price and would consider selling some or all of his Shares in the market or (ii) to accept the Offer in respect of some or all of his Shares if the market price of the Shares falls below the Offer Price.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

**(ii) Interests of the Offeror and parties acting in concert with it in the Shares**

As at the Latest Practicable Date, details of interests in the Shares, the underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror and parties acting in concert with it were as follows:

Name of Shareholder	Type of interest	Number of Shares held (Long position)	Approximate % of the issued Shares
The Offeror	Beneficial owner	2,737,970,000	53.00%
Guoan (HK) (Note 1)	Interests in a controlled corporation	2,737,970,000	53.00%
CITIC Guoan Group (Notes 1, 2)	Interests in a controlled corporation	2,737,970,000	53.00%

*Notes:*

- (1) The Offeror is held as to 100% by Guoan (HK), which in turn is held as to 100% by CITIC Guoan Group. Under the SFO, each of Guoan (HK) and CITIC Guoan Group is deemed to be interested in the Shares held by the Offeror.
- (2) CITIC Guoan Group is held as to approximately 20.945%, 19.764%, 17.787%, 15.811%, 15.811% and 9.882% by 中國中信集團有限公司 (Citic Group Corporation\*), 黑龍江鼎尚裝修工程有限公司 (Heilongjiang Ding Shang Constructions Company Limited\*), 北京合盛源投資管理有限公司 (Beijing Heshengyuan Investment Management Company Limited\*), 瑞煜(上海)股權投資基金合夥企業(有限合夥) (Ruiyu (Shanghai) Equity Investment Fund Limited Partnership\*), 共和控股有限公司 (Gong He Holdings Limited\*) and 天津市萬順置業有限公司 (Tianjin Municipality Wan Shun Properties Company Limited\*), respectively.
- (3) As at the Latest Practicable Date, there were 5,165,973,933 Shares in issue.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person who had, or was deemed to have, an interest or short position in the Shares or underlying shares of the Company, 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.

**5. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALINGS**

As at the Latest Practicable Date:

- (a) save as disclosed in the section headed “Disclosure of Interests under the SFO — Interests of the Offeror and parties acting in concert with it in the Shares” in this Appendix III and other than the Sale Shares, the directors of the Offeror, had no interests in any shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities, or had dealt for value in any shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (b) save as disclosed in the section headed “Dealing in the Securities of the Company” in the “Letter from Altus Investments and Yicko” and the section headed “Disclosure of Interests under the SFO — Interests of the Offeror and parties acting in concert with it in the Shares” in this Appendix III, none of the Offeror or any persons acting in concert with it owned or controlled any shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities or had dealt for value in any shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Relevant Period;
- (c) there was not any agreement, arrangement or understanding to transfer, charge or pledge any of the Shares acquired in pursuance with the Offer to any other persons;
- (d) no person had irrevocably committed himself to accept or reject the Offer;
- (e) save for the Sale and Purchase Agreement, none of the Offeror or any party acting in concert with it had entered into any arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code with any other persons in relation to the Shares during the Relevant Period;
- (f) none of the Offeror or any party acting in concert with it had borrowed or lent any Shares or any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period;
- (g) save for the Sale and Purchase Agreement and the arrangement as disclosed in section headed “Proposed change of the Board composition” in the “Letter from Altus Investments and Yicko” in this Composite Document, there was no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror or any party acting in concert with it and any of the Directors, recent Directors, the Shareholders or recent Shareholders having any connection with or dependence upon the Offer;
- (h) there was no agreement or arrangement to which the Offeror or any party acting in concert with it is a party which relates to circumstances in which the Offeror may or may not seek to invoke a pre-condition or a condition to the Offer;

- (i) the Company did not have any interest in the shares, convertible securities, warrants or options of the Offeror or any derivatives in respect of such securities, and the Company had not dealt for value in any shares, convertible securities, warrants or options of the Offeror or any derivatives in respect of such securities during the Relevant Period. Save as disclosed in the section headed “Disclosure of Interests under the SFO — Director’s interests and short positions in the securities of the Company and its associated corporations” in this Appendix III, none of the Directors had any interest in the shares, convertible securities, warrants or options of the Offeror or the Company and had dealt for value in any shares, convertible securities, warrants, options of the Offeror or the Company or any derivatives in respect of such securities during the Relevant Period;
- (j) none of (i) the subsidiaries of the Company; (ii) the pension funds of the Company or of a subsidiary of the Company; or (iii) any advisers to the Company (as specified in class (2) of the definition of “associate” under the Takeovers Code) had any interests in the Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities, and none of them had dealt in any Shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities during the Offer Period and up to the Latest Practicable Date;
- (k) no person had any arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of “associate” under the Takeovers Code. The shareholdings of the Offeror, as at the Latest Practicable Date are set out in the section headed “Disclosure of interests under the SFO — Interests of the Offeror and parties acting in concert with it in the Shares” in this Appendix III. Save for the Sale Shares, none of the Offeror and parties acting in concert with it had dealt for value in any shares, convertible securities, warrants or options of the Offeror or the Company or any derivatives in respect of such securities during the Offer Period and up to the Latest Practicable Date;
- (l) no shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities were managed on a discretionary basis by any fund managers connected with the Company and none of them had dealt in any shares, convertible securities, warrants, options or derivatives of the Company during the Offer Period and up to the Latest Practicable Date;
- (m) no shares, convertible securities, warrants or options of the Company or any derivatives in respect of such securities had been borrowed or lent by any of the Directors or by the Company;
- (n) there were no arrangements of the kind referred to in Note 8 to Rule 22 of the Takeovers Code which existed between the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of “associate” under the Takeovers Code;

- (o) no benefit (other than statutory compensation, if applicable) was or will be given to any of the Directors as compensation for loss of office in any members of the Group or otherwise in connection with the Offer;
- (p) there was no agreement or arrangement between any of the Directors and any other person which is conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;
- (q) there was no material contract entered into by the Offeror in which any of the Directors has a material personal interest; and
- (r) save as disclosed in the section headed “Disclosure of Interests under the SFO — Director’s interests and short positions in the securities of the Company and its associated corporations” in this Appendix III, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer. The Director who held Shares as at the Latest Practicable Date (being Mr. SUNG Yee Keung, Ricky) would intend (i) not to accept the Offer if the market price of the Shares continues to be above the Offer Price and would consider selling some or all of his Shares in the market or (ii) to accept the Offer in respect of some or all of his Shares if the market price of the Shares falls below the Offer Price.

## 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended during the Relevant Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period.

None of the Directors had entered into any service contract or had an unexpired service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation) as at the Latest Practicable Date.

## 7. LITIGATION

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

## 8. MATERIAL CONTRACTS

No contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company) had been entered into by the Company or any of its subsidiaries within the two years immediately preceding the commencement of the Offer Period and up to and including the Latest Practicable Date which were, or might be, material.

## 9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who have given opinion or advice contained in this Composite Document:

Name	Qualifications
Altus Capital	A corporation licensed by the SFC to carry on Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
Altus Investments	A corporation licensed by the SFC to carry on Type 1 (dealing in securities) regulated activity under the SFO
Yicko	A corporation licensed by the SFC to carry on Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO
Nuada	A corporation licensed by the SFC to carry on Type 6 (advising on corporate finance) regulated activity under the SFO

Altus Capital, Altus Investments, Yicko and Nuada, have given and have not withdrawn their respective written consents to the issue of this Composite Document with the inclusion of the text of their respective letters or opinions, as the case may be, and references to their names in the form and context in which they respectively appear.

As at the Latest Practicable Date, none of Altus Capital, Altus Investments, Yicko and Nuada had any shareholding, direct or indirect, 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, nor did they have any direct or indirect interest in any assets which had been, since 30 September 2015, being the date of the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

**10. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal office of the Company in Hong Kong at 2903 Prosperity Place, 6 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong during normal business hours from 9:00 a.m. to 5:00 p.m. on any Business Day; and will also be displayed on the websites of the Company (<http://www.iglobaltech.com>) and the SFC (<http://www.sfc.hk>) from the date of this Composite Document until and including the Closing Date or the date on which the Offer lapse or is withdrawn (whichever is later)(except for Saturdays, Sundays and public holidays):

- (a) the memorandum and articles of association of the Company;
- (b) the memorandum and articles of association of the Offeror;
- (c) the annual reports of the Company for each of the two financial years ended 30 September 2015;
- (d) the letter from Altus Investments and Yicko, the text of which is set out on pages 7 to 16 of this Composite Document;
- (e) the letter from the Board, the text of which is set out on pages 17 to 22 of this Composite Document;
- (f) the letter from the Independent Board Committee, the text of which is set out on pages 23 to 24 of this Composite Document;
- (g) the letter from Nuada, the text of which is set out on pages 25 to 43 of this Composite Document; and
- (h) the written consents from the experts referred to in the section headed “Experts and consents” in this Appendix.

**11. GENERAL**

- (a) The principal members of the Offeror’s concert group include (i) the Offeror, (ii) Guoan (HK), and (iii) CITIC Guoan Group.
- (b) The registered address of the Offeror is P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands. The board of directors of the Offeror comprises 夏桂蘭 (XIA Guilan), 李建一 (LI Jianyi) and 杜軍 (DU Jun).
- (c) The registered address of Guoan (HK) is 19/F, Tung Ning Building, 125–127 Connaught Road Central, Hong Kong. The board of directors of Guoan (HK) Holdings Limited comprises 李士林 (LI Shilin), 羅寧 (LUO Ning), 夏桂蘭 (XIA Guilan), 李建一 (LI Jianyi), 劉鑫 (LIU Xin), 張建昕 (ZHANG Jianxin) and 劉基輔 (LIU Jifu).

- (d) The registered address of CITIC Guoan Group is No.1 Guandongdian North Street, Chaoyang District, Beijing 100020, the PRC. The board of directors of CITIC Guoan Group comprises 李士林 (LI Shilin), 羅寧 (LUO Ning), 李榮祥 (LI Rongxiang), 夏桂蘭 (XIA Guilan), 李建一 (LI Jianyi), 關衛東 (GUAN Weidong), 李震濤 (LI Zhentao), 毛德一 (MAO Deyi), 陳釗 (CHEN Zhao), 李奇文 (LI Qiwen), 關鑫 (GUAN Xin), 張岩 (ZHANG Yan) and 白少良 (BAI Shaoliang).
- (e) The principal business address of each of Altus Investments and Altus Capital is 21 Wing Wo Street, Central, Hong Kong.
- (f) The principal business address of Yicko is 19/F Tung Ning Building, 125–127 Connaught Road Central, Hong Kong.
- (g) The registered office of the Company is at P.O. Box 309, Uglan House, George Town, Grand Cayman KY1-1104, Cayman Islands. The principal place of business of the Company in Hong Kong is at 2903 Prosperity Place, 6 Shing Yip Street, Kwun Tong, Kowloon, Hong Kong.
- (h) The Hong Kong branch share registrar of the Company is Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. The Singapore branch share registrar of the Company is Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623.
- (i) This Composite Document has been prepared in both English and Chinese. In the case of any discrepancies, the English text shall prevail over the Chinese text.