

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale was effected for transmission to the purchaser or the transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the CWUMPO. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Consolidated Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

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



羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8072)

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE**

Financial adviser to the Company



Optima Capital Limited

Underwriter of the Rights Issue



英皇證券(香港)有限公司
Emperor Securities Limited

Capitalised terms used in this cover shall have the same meanings as defined in this Prospectus.

Dealings in the Rights Shares in the nil-paid form will take place from Monday, 8 December 2014 to Monday, 15 December 2014 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Monday, 8 December 2014 to Monday, 15 December 2014 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Consolidated Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

It should be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate the obligations of the Underwriter thereunder on the occurrence of certain events including force majeure. These certain events are set out in the paragraph headed "Termination of the Underwriting Agreement" on pages 6 to 7 of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares is 4:00 p.m. on Thursday, 18 December 2014. The procedure for acceptance and transfer is set out on pages 11 to 12 of this Prospectus.

* For identification purpose only

CHARACTERISTICS OF GEM

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

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

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| EXPECTED TIMETABLE |
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The expected timetable for the Rights Issue and the Share Consolidation set out below is for indicative purposes only and it has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change, and any changes will be announced in separate announcement(s) by the Company as and when appropriate.

| Event | 2014 |
|--|--|
| First day of dealings in nil-paid Rights Shares | 9:00 a.m. on Monday, 8 December |
| Original counter for trading in the Consolidated Shares in board lots of 20,000 Consolidated Shares (in the form of new share certificates in purple) re-opens | 9:00 a.m. on Tuesday, 9 December |
| Parallel trading in the Consolidated Shares (in the form of new share certificates in purple and the existing share certificates in pink) commences | 9:00 a.m. on Tuesday, 9 December |
| Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares | 9:00 a.m. on Tuesday, 9 December |
| Latest time for splitting nil-paid Rights Shares | 4:30 p.m. on Wednesday, 10 December |
| Last day of dealings in nil-paid Rights Shares | 4:00 p.m. on Monday, 15 December |
| Latest time for acceptance of and payment for the Rights Shares and application for excess Rights Shares | 4:00 p.m. on Thursday, 18 December |
| Latest time for Termination | 4:00 p.m. on Tuesday, 23 December |
| Announcement of the results of the acceptance and the excess application of the Rights Issue..... | Monday, 29 December |

EXPECTED TIMETABLE

Event **2014**

Despatch of the refund cheques for wholly and partially
unsuccessful applications for excess Rights Shares Tuesday, 30 December

Despatch of the share certificates for fully-paid Rights Shares Tuesday, 30 December

First day of dealings in fully-paid Rights Shares 9:00 a.m. on
Wednesday, 31 December

Temporary counter for trading in the Consolidated Shares
in board lots of 1,250 Consolidated Shares (in the form of
the existing share certificates in pink) ends 12:00 noon on
Wednesday, 31 December

Parallel trading in the Consolidated Shares (in the form of
new share certificates in purple and
the existing share certificates in pink) ends 12:00 noon on
Wednesday, 31 December

Designated broker ceases to stand in the market
to provide matching services for odd lots of
the Consolidated Shares 12:00 noon on
Wednesday, 31 December

2015

Last day for free exchange of the existing share certificates
in pink for new share certificates
for the Consolidated Shares in purple..... Tuesday, 6 January

Note: Eve of New Year, 31 December 2014, is non-settlement day. Settlement services under CCASS including batch-settlement-runs, Settlement Instructions and Investor Settlement Instructions will not be available on that day.

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| EXPECTED TIMETABLE |
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EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance of and payment for Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a 'black' rainstorm warning:

1. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 18 December 2014. Instead, the Latest Time for Acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same business day; or
2. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 18 December 2014. Instead, the Latest Time of Acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance of and payment for the Rights Shares does not take place on Thursday, 18 December 2014, the dates mentioned in the expected timetable above may be affected. The Company will notify Shareholders by way of announcements on any change to the expected timetable as soon as practicable.

DEFINITIONS

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

| | |
|--------------------------------|---|
| “acting in concert” | has the meaning ascribed thereto under the Takeovers Code |
| “Announcement” | the announcement of the Company dated 20 October 2014 in relation to, among other things, the Rights Issue |
| “Aperto” | Aperto Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is legally and beneficially owned by Mr. Luk, Kee Yan Kelvin, an executive Director, the chairman and the chief executive officer of the Company |
| “Board” | board of Directors |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC |
| “Circular” | the circular of the Company dated 6 November 2014 in relation to, among other things, the Rights Issue |
| “Company” | Roma Group Limited, an exempted company incorporated under the laws of the Cayman Islands, the issued Shares/ Consolidated Shares of which are listed on GEM |
| “Competent Evaluator” | a Competent Person undertaking valuations that satisfies Rule 18.23 of the Main Board Listing Rules or Rule 18A.23 of the GEM Listing Rules |
| “Competent Person” | a person that satisfies Rules 18.21 and 18.22 of the Main Board Listing Rules or Rules 18A.21 and 18A.22 of the GEM Listing Rules |
| “Competent Person’s Report(s)” | the public report(s) prepared by a Competent Person on resources and/or reserves in respect of natural resources in compliance with the applicable Main Board Listing Rules or the GEM Listing Rules and the Reporting Standard (as defined under Chapter 18 of the Main Board Listing Rules or Chapter 18A of the GEM Listing Rules) |
| “Consolidated Share(s)” | ordinary share(s) of HK\$0.016 each in the issued and unissued share capital of the Company upon the Share Consolidation becoming effective |

DEFINITIONS

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| “CWUMPO” | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time) |
| “Director(s)” | director(s) of the Company |
| “EAF” | the excess application form(s) to be issued in connection with the Rights Issue |
| “EGM I” | the extraordinary general meeting of the Company convened at 8:00 a.m. on 24 November 2014 to consider, among other things, the Share Consolidation |
| “EGM II” | the extraordinary general meeting of the Company convened at 8:15 a.m. on 24 November 2014 to consider, among other things, the Rights Issue |
| “Excluded Shareholder(s)” | the Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant place or the requirements of the relevant overseas regulatory bodies or stock exchange, consider it necessary or expedient to exclude from the Rights Issue |
| “GEM” | the Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | The Hong Kong Special Administrative Region of the PRC |
| “Independent Shareholder(s)” | the Shareholder(s) who are not required under the GEM Listing Rules to abstain from voting on the resolution approving the Rights Issue at the EGM II |
| “IVS” | the International Valuation Standards, as published by International Valuation Standards Council, as amended from time to time |
| “JORC Code” | the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition) published by the Joint Ore Reserves Committee, as amended from time to time |

DEFINITIONS

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| “Last Trading Day” | 15 October 2014, being the last full trading day of the Shares on GEM prior to the release of the Announcement |
| “Latest Practicable Date” | 1 December 2014, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information referred to in this Prospectus |
| “Latest Time for Termination” | 4:00 p.m. on the third business day after the latest time for acceptance of the Rights Issue or such other time as may be agreed between the Company and the Underwriter |
| “Main Board Listing Rules” | the Rules Governing the Listing of Securities on the main board of the Stock Exchange |
| “Natural Resources Valuation Report(s)” | the public valuation report(s) prepared by a Competent Evaluator on mineral or petroleum assets in compliance with the applicable Main Board Listing Rules or the GEM Listing Rules and the Reporting Standard (as defined under Chapter 18 of the Main Board Listing Rules or Chapter 18A of the GEM Listing Rules). It may form part of a Competent Person’s Report |
| “Overseas Shareholder(s)” | the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with register address(es) outside Hong Kong |
| “PAL” | the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue |
| “PRC” | the People’s Republic of China which, for the purpose of this Prospectus, excludes Hong Kong, the Macao Special Administrative Region and Taiwan |
| “Pre-IPO Share Option(s)” | the share option(s) granted by the Company pursuant to the Pre-IPO Share Option Scheme entitling the holders thereof to subscribe for Shares or Consolidated Shares (as the case may be) |
| “Pre-IPO Share Option Scheme” | the pre-IPO share option scheme of the Company conditionally approved by the sole Shareholder on 26 September 2011, which became effective on the listing of the Shares on GEM on 25 February 2013 |
| “Prospectus” | this prospectus issued by the Company in relation to the Rights Issue |
| “Prospectus Documents” | together, the Prospectus, the PAL and the EAF |

DEFINITIONS

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| “Prospectus Posting Date” | 4 December 2014 or such other date as the Underwriter may agree in writing with the Company, being the date of posting of the Prospectus Documents by the Company to the Qualifying Shareholders |
| “Qualifying Shareholder(s)” | Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than those Excluded Shareholders, if any |
| “Record Date” | 3 December 2014, being the record date to determine entitlements to the Rights Issue |
| “Registrar” | Tricor Investor Services Limited, the Company’s branch share registrar and transfer office in Hong Kong |
| “Rights Issue” | the issue of 3,183,112,500 Rights Shares at the Subscription Price on the basis of three Rights Shares for every one Consolidated Share held on the Record Date payable in full on acceptance |
| “Rights Share(s)” | new Consolidated Share(s) to be allotted and issued in respect of the Rights Issue |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time |
| “Share(s)” | ordinary share(s) of HK\$0.001 each in the issued and unissued share capital of the Company before the Share Consolidation becoming effective |
| “Share Consolidation” | the consolidation of every sixteen (16) issued and unissued Shares of HK\$0.001 each into one (1) Consolidated Share of HK\$0.016 each which was approved by the Shareholders in the EGM I |
| “Share Option(s)” | the share option(s) granted by the Company pursuant to the Share Option Scheme entitling the holders thereof to subscribe for Shares or Consolidated Shares (as the case may be) |
| “Share Option Scheme” | the share option scheme of the Company conditionally approved by the sole Shareholder on 26 September 2011, which became effective on the listing of the Shares on GEM on 25 February 2013 |
| “Shareholder(s)” | holder(s) of the Share(s) or the Consolidated Share(s) |

DEFINITIONS

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|--------------------------|---|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price of HK\$0.09 per Rights Share |
| “Takeovers Code” | the Code on Takeovers and Mergers |
| “Underwriter” | Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO, being the underwriter of the Rights Issue |
| “Underwriting Agreement” | the underwriting agreement entered into between the Company, the Underwriter and Aperto dated 20 October 2014 in relation to the Rights Issue |
| “Underwritten Share(s)” | up to a maximum of 2,415,862,500 Rights Shares to be underwritten by the Underwriter (being the total number of Rights Shares less the entitlement of Aperto for which it has undertaken to subscribe under the Rights Issue) |
| “US” | the United States of America |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “US\$” | United States dollars, the lawful currency of the US |

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company, served prior to the Latest Time for Termination, 4:00 p.m. (Hong Kong time) on Tuesday, 23 December 2014, or such other time as may be agreed between the Underwriter and the Company if:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including, without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company including, without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or

TERMINATION OF THE UNDERWRITING AGREEMENT

- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue, or
- (e) the Prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter be material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it,

the Underwriter shall at its sole and absolute discretion be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

LETTER FROM THE BOARD



ROMA
ROMA GROUP LIMITED

羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8072)

Executive Directors:

Mr. Luk, Kee Yan Kelvin
(Chairman and Chief Executive Officer)
Mr. Yue, Kwai Wa Ken

Independent non-executive Directors:

Mr. Chan, Ka Kit
Mr. Ko, Wai Lun Warren
Mr. Lou, Ming

Registered office:

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

*Principal place of business
in Hong Kong:*

Unit 3806, 38th Floor
China Resources Building
26 Harbour Road
Wanchai, Hong Kong

4 December 2014

*To the Shareholders and, for information only,
holders of the Pre-IPO Share Options and Share Options*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

References are made to the Announcement dated 20 October 2014 and the Circular dated 6 November 2014 relating to the Rights Issue whereby the Board announced that the Company proposed to conduct the Rights Issue to raise approximately HK\$286.5 million before expenses by issuing 3,183,112,500 Rights Shares at the Subscription Price of HK\$0.09 per Rights Share on the basis of three Rights Shares for every one Consolidated Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders. The Share Consolidation was approved by the Shareholders at the EGM I and the Rights Issue was approved by the Independent Shareholders at the EGM II. The Share Consolidation became effective on 25 November 2014.

* *For identification purpose only*

LETTER FROM THE BOARD

The purpose of this Prospectus is to provide you with, among other things, details of the Rights Issue, financial information and other general information of the Group.

PROPOSED RIGHTS ISSUE

Issue statistics

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|---|--|
| Basis of Rights Issue: | Three Rights Shares for every one Consolidated Share held on the Record Date |
| Number of Consolidated Shares in issue as at the Latest Practicable Date: | 1,061,037,500 Consolidated Shares |
| Number of Rights Shares: | 3,183,112,500 Rights Shares |
| Aggregate nominal value of the Rights Shares: | HK\$50,929,800 |
| Enlarged issued share capital upon completion of the Rights Issue: | 4,244,150,000 Consolidated Shares |
| Subscription Price: | HK\$0.09 per Rights Share |
| Number of Underwritten Shares: | up to 2,415,862,500 Rights Shares |
| Underwriter: | Emperor Securities Limited |

Based on the existing issued share capital of the Company as at the Latest Practicable Date, which would remain unchanged up to the Record Date, a total of 3,183,112,500 Rights Shares will be provisionally allotted under the Rights Issue, representing 300% of the existing issued share capital of the Company and 75% of the issued share capital of the Company as enlarged by the issue of the Rights Shares.

As at the Latest Practicable Date, the Company has 65,775,000 outstanding Pre-IPO Share Options and 11,000,000 outstanding Share Options which in aggregate confer holders thereof the rights to subscribe for 76,775,000 Consolidated Shares.

Save as disclosed above, as at the Latest Practicable Date, the Company had no other outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing Consolidated Shares.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company on the Record Date and not be an Excluded Shareholder on the Record Date. The Company will send the Prospectus Documents, including this Prospectus, the PAL and the EAF, to the Qualifying Shareholders. The Company will send this Prospectus to the Excluded Shareholders (if any) for their information only and will not send the PAL and the EAF to such Excluded Shareholders.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

The Prospectus will not be registered or filed under the securities legislation of any jurisdiction other than Hong Kong. Based on the register of members of the Company as at the Latest Practicable Date which would remain unchanged up to the Record Date, there were a total of 350 Overseas Shareholder(s) with registered addresses in the PRC. Pursuant to Rule 17.41 of the GEM Listing Rules, the Company has made enquiries regarding the legality and feasibility of extending the offer of the Rights Issue to those Overseas Shareholders. Based on the legal opinions from the legal adviser of the Company as to PRC laws, there is no restriction to extend the Rights Issue to those Overseas Shareholders and there were no Excluded Shareholders for the Rights Issue as at the Latest Practicable Date. Accordingly, the Rights Issue will be extended to those Overseas Shareholders and this Prospectus Documents will be sent to those Overseas Shareholders. Save for the aforesaid Overseas Shareholders, all Shareholders on the Company's register of members as at the Latest Practicable Date have registered addresses in Hong Kong.

Subscription Price

The Subscription Price of HK\$0.09 per Rights Share will be payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or application for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 47.37% to the closing price of HK\$0.171 per Consolidated Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 56.73% to the theoretical closing price of HK\$0.208 per Consolidated Share (based on the closing price per Share as quoted on the Stock Exchange on 15 October 2014, being the Last Trading Day, and assuming that the Share Consolidation becomes effective);
- (iii) a discount of approximately 57.94% to the average theoretical closing price of HK\$0.214 per Consolidated Share (based on the closing price per Share for the five consecutive trading days up to and including the Last Trading Day and assuming that the Share Consolidation becomes effective);
- (iv) a discount of approximately 58.72% to the average theoretical closing price of HK\$0.218 per Consolidated Share (based on the closing price per Share for the ten consecutive trading days up to and including the Last Trading Day and assuming that the Share Consolidation becomes effective);
- (v) a discount of approximately 25.00% to the theoretical ex-rights price of approximately HK\$0.120 per Consolidated Share based on the theoretical closing price of HK\$0.208 per Consolidated Share (based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day and assuming that the Share Consolidation becomes effective); and

LETTER FROM THE BOARD

- (vi) a discount of approximately 36.17% to the theoretical audited consolidated net asset value per Consolidated Share of approximately HK\$0.141 as at 31 March 2014 (based on the audited consolidated net assets of HK\$70,903,000 and 8,025,800,000 Shares in issue as at 31 March 2014 and assuming that the Share Consolidation becomes effective).

The theoretical closing price per Consolidated Share is assumed as sixteen times of the closing price per Share as quoted on the Stock Exchange, while the theoretical audited consolidated net asset value per Consolidated Share is assumed as sixteen times of the audited consolidated net asset value per Share.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. As the Rights Shares are offered to all Qualifying Shareholders, the Directors would like to set the Subscription Price at a level that would attract the Qualifying Shareholders to participate in the Rights Issue and accordingly maintain their pro-rata shareholding in the Company and participate in the future growth of the Group should they wish to do so, whereas the existing Shareholders may lose such opportunity in the placing of new Shares or other equity securities. Having taken into account the benefits and costs of the alternatives, the Board is of the view that the Rights Issue will allow the Group to strengthen its financial position without incurring any interest costs which would be arisen from debt financing. The Directors consider the terms of the Rights Issue, including the Subscription Price, are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Basis of provisional allotment

The basis of the provisional allotment shall be three Rights Shares for every one Consolidated Share held by Qualifying Shareholders at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the then Consolidated Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares.

Procedures for acceptance and payment or transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions

LETTER FROM THE BOARD

printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by not later than 4:00 p.m. on Thursday, 18 December 2014. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**ROMA GROUP LTD — PROVISIONAL ALLOTMENT ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 18 December 2014, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Wednesday, 10 December 2014 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second business day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 30 December 2014.

No receipt will be issued in respect of any application monies received.

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Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. The Board will allocate the excess Rights Shares at its discretion, but on a fair and equitable basis as far as practicable on the following principles:

- (i) preference will be given to applications for less than a board lot of Rights Shares where it appears to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with intention to abuse the mechanism; and
- (ii) subject to availability of excess Rights Shares after allocation under principle (i) above, the excess Rights Shares will be allocated to the Qualifying Shareholders based on a sliding scale with reference to the number of excess Rights Shares available for excess application and the number of the excess Rights Shares applied for by them (i.e. Qualifying Shareholders applying for smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive less number of Rights Shares; whereas Qualifying Shareholders applying for larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive larger number of Rights Shares) and with board lot allocations to be made on a best efforts basis.

In the event that the Board noted unusual patterns of excess applications and had reason to believe that any application may have been made with the intention to abuse the mechanism, such application for excess Rights Shares may be rejected at the sole discretion of the Board.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong at or before 4:00 p.m. on Thursday, 18 December 2014. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**ROMA GROUP LTD — EXCESS APPLICATION ACCOUNT**" and crossed "**ACCOUNT PAYEE ONLY**". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them. An announcement of results of acceptance of and excess applications for the Rights Issue will be published on the websites of the Stock Exchange and the Company on Monday, 29 December 2014.

Shareholders with their Consolidated Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually.

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Where the number of excess Rights Shares applied for under one EAF is larger than the total number of Rights Shares being offered under the Rights Issue, being 3,183,112,500 Rights Shares, such application (other than from a nominee company) would be treated as invalid and be rejected. If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full by ordinary post by the Registrar at his/her/its own risk on or before Tuesday, 30 December 2014. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post by the Registrar at his/her/its own risk on or before Tuesday, 30 December 2014.

All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give or be subject to any of the above representations and warranties. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, any EAF in respect of which a cheque or a cashier's order is dishonoured on first presentation is liable to be rejected.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary post at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. The Company may require such incomplete EAF to be completed by the relevant applicants at a later stage.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled, the monies received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 30 December 2014.

Certificates for the Rights Shares and refund cheques

Subject to the fulfillment of the conditions of the Rights Issue as set out in the section headed "Conditions of the Rights Issue" below, certificates for all fully-paid Rights Shares are expected to be posted on or before Tuesday, 30 December 2014 by ordinary post to those entitled thereto at their own risk. Refund cheques in respect of wholly or partially unsuccessful

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applications for excess Rights Shares are also expected to be posted on or before Tuesday, 30 December 2014 by ordinary post at the risk of the Shareholders. Each Shareholder will receive one share certificate for all allotted Rights Shares.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Consolidated Shares or the Rights Shares. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Consolidated Shares or the Rights Shares.

Application for listing

The Company has made an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. Dealing in the Rights Shares in both their nil-paid and fully-paid forms (both in board lots of 20,000) will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy and any other applicable fees and charges in Hong Kong.

Subject to the grant of listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or, under contingent situation, such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

All necessary arrangements will be made to enable the Rights Shares in both their nil-paid and fully-paid forms to be admitted into CCASS.

Conditions of the Rights Issue

The Rights Issue is conditional on each of the following conditions being fulfilled:

- (i) the passing by the Independent Shareholders at the EGM II of ordinary resolution to approve the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the Rights Issue;
- (ii) the Share Consolidation having become effective;

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- (iii) the delivery to the Stock Exchange and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the GEM Listing Rules and the CWUMPO;
- (iv) the posting of the Prospectus Documents to the Qualifying Shareholders on the Prospectus Posting Date and the posting of the Prospectus and a letter in the agreed form to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue within two business days after the Prospectus Posting Date;
- (v) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms) by no later than the Prospectus Posting Date;
- (vi) compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement;
- (vii) compliance with and performance of all the undertakings and obligations of Aperto under the terms of the Underwriting Agreement;
- (viii) the obligations of the Underwriter becoming unconditional and that the Underwriting Agreement is not terminated in accordance with the terms of the Underwriting Agreement; and
- (ix) compliance with and performance of all the undertakings and obligations of all the holders of the Pre-IPO Share Options and/or Share Options not to exercise the rights attached to the Pre-IPO Share Options and/or Share Options to subscribe for new Shares (or the Consolidated Shares, as the case may be) from the date of the Underwriting Agreement up to the Record Date (both dates inclusive).

The conditions set out above are incapable of being waived. If all of the above conditions are not satisfied by 4:00 p.m. (Hong Kong time) on Tuesday, 23 December 2014, the Latest Time for Termination, or such later date or dates as the Underwriter may agree with the Company in writing, the Underwriting Agreement shall terminate and no party will have any claim against any other party for costs, damages, compensation or otherwise save for any antecedent breaches, and the Rights Issue will not proceed.

As at the Latest Practicable Date, conditions (i) and (ii) above have been fulfilled. Conditions (iii) and (iv) will be fulfilled on the Prospectus Posting Date.

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UNDERWRITING ARRANGEMENT

The Rights Shares will be fully underwritten by the Underwriter in accordance with the terms of the Underwriting Agreement as described below.

Underwriting Agreement

| | |
|--------------------------------|--|
| Date: | 20 October 2014 |
| Underwriter: | Emperor Securities Limited |
| Number of Rights Shares: | 3,183,112,500 Rights Shares |
| Number of Underwritten Shares: | up to 2,415,862,500 Rights Shares |
| Commission: | the Underwriter will receive a commission in respect of its underwriting of the Rights Issue at 2.25% of the total subscription price of the maximum number of the Underwritten Shares |

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter, its ultimate beneficial owner(s) and its associates are third parties independent of the Company and its connected persons.

Undertaking given by the Underwriter

The Underwriter undertakes to the Company in the Underwriting Agreement that it will sub-underwrite its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and/or the sub-underwriters will be a third party independent of and not connected or acting in concert with the Directors, chief executive or substantial shareholders of the Company or their respective associates. The Underwriter further undertakes in the Underwriting Agreement that the Underwriter will use its best endeavour to procure that each of the ultimate subscribers or purchasers procured by it or the sub-underwriters will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

Underwriting commission

The Company will pay the Underwriter an underwriting commission of 2.25% of the aggregate subscription price in respect of the maximum number of the Underwritten Shares and all reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Rights Issue. The underwriting commission mentioned above shall not be payable if the Underwriting Agreement does not become unconditional or if it is terminated by the Underwriter, but the Company shall pay all reasonable legal fees and other reasonable out-of-pocket expenses of the Underwriter in respect of the Rights Issue. The Directors are of the view that the rate of the underwriting commission is fair and reasonable.

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Irrevocable undertaking

Aperto has given an irrevocable undertaking in favour of the Company and the Underwriter to subscribe for 767,250,000 Rights Shares to which Aperto is entitled under the Rights Issue.

All holders of the Pre-IPO Share Options and the Share Options have also undertaken to the Company and the Underwriter that none of the Pre-IPO Share Options and the Share Options would be exercised from the date of the Announcement up to the Record Date.

Termination of the Underwriting Agreement

The Underwriter may terminate the Underwriting Agreement by notice in writing to the Company, served prior to the Latest Time for Termination, 4:00 p.m. (Hong Kong time) on Tuesday, 23 December 2014, or such other time as may be agreed between the Underwriter and the Company if:

- (a) in the sole and absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the sole and absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue; or
 - (ii) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before and/or after the date hereof) of a political, military, financial, economic or other nature (whether or not ejusdem generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the sole and absolute opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or materially and adversely prejudice the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or
 - (iii) any material adverse change in the business or in the financial or trading position of the Group as a whole; or
- (b) any adverse change in market conditions (including, without limitation, any change in fiscal or monetary policy, or foreign exchange or currency markets, suspension or material restriction or trading in securities) occurs which in the sole and absolute opinion of the Underwriter is likely to materially or adversely affect the success of the Rights Issue or otherwise makes it inexpedient or inadvisable to proceed with the Rights Issue; or

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- (c) there is any change in the circumstances of the Company or any member of the Group which in the sole and absolute opinion of the Underwriter will adversely affect the prospects of the Company including, without limiting the generality of the foregoing, the presentation of a petition or the passing of a resolution for the liquidation or winding up or similar event occurring in respect of any member of the Group or the destruction of any material asset of the Group; or
- (d) any suspension in the trading of securities generally or the Company's securities on the Stock Exchange for a period of more than ten consecutive business days, excluding any suspension in connection with the clearance of the Announcement or the Prospectus Documents or other announcements in connection with the Rights Issue, or
- (e) the Prospectus or announcements of the Company published since the date of the Underwriting Agreement when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the GEM Listing Rules or any applicable regulations) which has not prior to the date thereof been publicly announced or published by the Company and which may in the sole and absolute opinion of the Underwriter be material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it,

the Underwriter shall at its sole and absolute discretion be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 1,061,037,500 Consolidated Shares in issue and 65,775,000 outstanding Pre-IPO Share Options and 11,000,000 outstanding Share Options which in aggregate confer holders thereof the rights to subscribe for 76,775,000 Consolidated Shares. The holders of the Pre-IPO Share Options and Share Options have undertaken to the Company and the Underwriter that none of the Pre-IPO Share Options and the Share Options would be exercised from the date of the Announcement up to the Record Date.

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The table below depicts the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; and (iii) immediately upon completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Aperto, assuming there is no other change in the shareholding structure of the Company since the Latest Practicable Date:

| | (i) | | (ii) | | (iii) | |
|---------------------------|-----------------------------|---------------------|-----------------------------|---------------------|-----------------------------|---------------------|
| | No. of Consolidated Shares | Approximate % | No. of Consolidated Shares | Approximate % | No. of Consolidated Shares | Approximate % |
| Aperto (Note 1) | 255,750,000 | 24.10 | 1,023,000,000 | 24.10 | 1,023,000,000 | 24.10 |
| Mr. Chan Ka Kit (Note 2) | 225,000 | 0.02 | 900,000 | 0.02 | 225,000 | 0.01 |
| Underwriter (Note 3) | — | — | — | — | 2,415,862,500 | 56.92 |
| Other public Shareholders | <u>805,062,500</u> | <u>75.88</u> | <u>3,220,250,000</u> | <u>75.88</u> | <u>805,062,500</u> | <u>18.97</u> |
| Total | <u><u>1,061,037,500</u></u> | <u><u>100.0</u></u> | <u><u>4,244,150,000</u></u> | <u><u>100.0</u></u> | <u><u>4,244,150,000</u></u> | <u><u>100.0</u></u> |

Notes:

1. The entire issued share capital of Aperto is legally and beneficially owned by Mr. Luk, Kee Yan Kelvin, being an executive Director, the chairman and the chief executive officer of the Company.
2. Mr. Chan Ka Kit is an independent non-executive Director.
3. In circumstances where the Rights Issue were to become unconditional and the Underwriter was obliged to take up Underwritten Shares in their entirety, the underwriting commitment would extend to a stake of approximately 56.92% in the share capital of the Company as enlarged by the issue of the Rights Shares. The Underwriter undertakes to the Company in the Underwriting Agreement that it will sub-underwrite its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of the Underwriter and/or the sub-underwriters will be a third party independent of and not connected or acting in concert with the Directors, chief executive or substantial Shareholders of the Company or their respective associates. The Underwriter further undertakes in the Underwriting Agreement that the Underwriter will use its best endeavour to procure that each of the ultimate subscribers or purchasers procured by it or the sub-underwriters will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

The Underwriter has entered into sub-underwriting agreements with certain sub-underwriters. Under such sub-underwriting agreements, the sub-underwriters undertake to the Underwriter that, if the amounts of their sub-underwriting participation represent more than 10% of the entire issued share capital of the Company immediately upon completion of the Rights Issue, the sub-underwriters will use their best endeavour to procure that each of the ultimate subscribers or purchasers procured by them will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue.

Based on the undertakings given by the Underwriter and the sub-underwriters to procure each of the ultimate subscribers or purchasers procured by them to take up such number of Rights Shares such that the ultimate subscribers or purchasers will not (together with each of the respective parties acting in concert or any of their respective connected persons or associates) hold in aggregate 10% or more of the voting rights of the Company immediately after the Rights Issue, no subscriber or purchaser will

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become a substantial Shareholder of the Company. By such arrangements, the Company is able to comply with the public float requirements under Rule 11.23 of the GEM Listing Rules upon completion of the Rights Issue.

The Underwriter has entered into sub-underwriting agreements with 7 sub-underwriters. Under such sub-underwriting agreements, other than one sub-underwriter, each of the sub-underwriters has agreed to sub-underwrite such number of Rights Shares representing not more than 10% of the total issued share capital of the Company immediately upon completion of the Rights Issue. The aggregate sub-underwriting participations of these 6 sub-underwriters represents 26.9% of the total issued share capital of the Company immediately upon completion of the Rights Issue. In the event that these 6 sub-underwriters are required to take up their sub-underwriting participation in full, their shareholding as a result thereof will be regarded as public Shareholders. Accordingly, the Company is able to satisfy the public float requirement under Rule 11.23 of the GEM Listing Rules.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The Group is principally engaged in the provision of valuation and technical advisory services and financing services in Hong Kong.

The Group has been putting efforts on strengthening its financial position, including but not limited to raising sufficient funding for the business development of the Group. When formulating the structure of the Rights Issue, the Directors have considered other fund raising alternatives for the Group, such as placing of new Shares, open offer of new Shares or other convertible securities. Taking into account the benefits and costs of each of the alternatives, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole as it offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company at a discount to market price of the Consolidated Shares and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and continue to participate in the future development of the Company should they wish to do so.

The gross proceeds from the Rights Issue will be approximately HK\$286.5 million. The estimated net proceeds from the Rights Issue after deducting all necessary expenses will be approximately HK\$280.2 million, which are intended to be used as to (i) approximately HK\$131.9 million, representing approximately 47% of the estimated net proceeds from the Rights Issue, for the funding and further development of the existing and future businesses of the Group; (ii) approximately HK\$126.3 million, representing approximately 45% of the estimated net proceeds from the Rights Issue, for the provision of financing services of the Group; and (iii) the balance of approximately HK\$22.0 million, representing approximately 8% of the estimated net proceeds from the Rights Issue, for general working capital of the Group. Based on the aforesaid estimated net proceeds, the net subscription price is expected to be approximately HK\$0.088 per Rights Share.

Development of existing and future businesses of the Group

The Group intends to expand its existing valuation and technical advisory services through acquisitions, business collaboration and/or partnership arrangements if and when suitable business opportunities arise. The Directors intend to grow the size of the advisory team, enhance the capability of the Group, expand scope of services to be provided and

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increase the market share of the Group in a more efficient way. With their experience in the industry, the Directors understand that the valuation and technical advisory market in Hong Kong is concentrated with limited number of major players. The Directors also have knowledge about who these major players are and consider that most of them are possible merger targets or co-operation partners, although they have not as at the Latest Practicable Date identified any specific potential targets or partners with which they would commence discussions. During the past year, the Directors had also been approached by certain peer companies in Hong Kong for possible business collaborations and the Directors were given a general idea on the size and financial performance of these peer companies. Having conducted the necessary market research and analysis, the Directors believe that it is more probable that the Group will go by way of acquisitions of existing business, rather than merger or combination or collaboration of business with other counterparts in the industry. To the best of the Directors' knowledge, information and belief, and based on publicly available information, there is only one peer company listed on the Stock Exchange that is principally engaging in businesses comparable to the Group. Based on this knowledge and by making reference to the market valuation of that peer company (which is listed on the GEM and is trading at about 21 times price-earnings multiple) and the financial performance of certain peer companies which are unlisted companies in Hong Kong, the Directors estimate that the capital required for acquisition of peer companies could possibly range from HK\$80 million to HK\$130 million. As the Company has only allocated 20% of the IPO Net Proceeds (as defined hereinafter) (i.e. approximately HK\$5.3 million) for merger and acquisition opportunities and business collaboration, the Directors acknowledge the need for the Group to build up its war chest for investment first before it could embark on any negotiations with any serious seller and/or investee companies, thus the Company proposes the Rights Issue in order to strengthen its capital base and intends to allocate approximately HK\$131.9 million of the net proceeds from the Rights Issue for such purpose. As at the Latest Practicable Date, the Group has not identified any specific targets for business expansion.

Development of financing business of the Group

The Group plans to grow its provision of financing services business conducted through an indirect wholly-owned subsidiary of the Company, which is licensed to conduct money lending business in Hong Kong in October 2013. At the initial stage, the Group planned to operate the lending business on a small scale and had allocated fund of up to HK\$10 million entirely from its internally generated operating cashflow and cash reserves for this business. Based on the expected loan portfolio size and interest rate to be offered to potential borrowers and the then market conditions, the Group estimated in its budget prepared in August 2013 that the revenue to be generated from the provision of financing services would account for less than 2% and 5% of the total revenue of the Group for each of the two years ended 31 March 2014 and 2015 respectively, and that the business could self-finance its daily operations. As shown in the 2013/2014 annual report of the Company, the audited revenue of the financing business accounted for approximately 2% of the Group's total audited revenue for the year ended 31 March 2014, and the outstanding loan portfolio as at 31 March 2014 was approximately HK\$10.4 million. During the three months ended 30 June 2014, the Group expanded its loan portfolio. On 2 May 2014, the Group granted a mortgage loan in an amount of HK\$10.5 million to a company, which is independent of the Company and its connected persons. As the growth and performance of the business exceeded the Group's original expectation at the time of the August 2013 budget, the Company decided that it would be in

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the interests of the Company and its Shareholders to expand into the financing business and thus proposed placing of new Shares in August 2014, from which the entire amount of the net proceeds of HK\$14.0 million is intended to be applied to the financing business. The placing was completed on 1 September 2014. As disclosed in the announcement of the Company dated 10 October 2014, the Group entered into two loan agreements with a borrower pursuant to which the Group has agreed to grant mortgage loan facilities to the borrower at an aggregate principal amount of HK\$12.5 million out of the proceeds from the aforesaid placing.

The Board considers that financing business is a good profit contributor to the Group taking into account the existing relatively small size of the loan portfolio and yet the reasonable return generated therefrom. In view of the growing demand for the Group's financing services particularly for mortgage loans and the relatively high value of properties in general in the Hong Kong market, the Board takes the view that it would be in the interests of the Company and its Shareholders to expand into this business. Considering that financing business is capital in nature, the Directors are of the view that the development and growth of this business is principally limited by capital and that sufficient capital should be in place to fund the increase in loan portfolio in order to reach its critical mass of at least HK\$100 million to HK\$150 million.

The management of the Company has prepared a business plan for the Directors and recommended to the Directors that the Company should take advantage of general market strength to strengthen the Group's balance sheet and financial capability to capture financing business opportunities which may arise from the possible gradual recovery in the US interest rate. The amount of approximately HK\$126.3 million of the net proceeds from the Rights Issue to be allocated to the financing business to fund the growth in loan portfolio and other operating expenses is the balancing proceeds available after taking into account the proposed size and net proceeds to be raised from the Rights Issue of approximately HK\$280.2 million, the allocation of approximately HK\$131.9 million for future acquisitions as explained above and approximately HK\$22.0 million as general working capital of the Group.

As at the Latest Practicable Date, the Directors confirmed that the Company currently has no plan to commence business which is new to the existing businesses of the Group.

Based on the foregoing, the Directors consider that it is appropriate to propose the Rights Issue as a means of fund raising for the Group's future expansion. The Directors also consider that the terms of the Rights Issue, including the Subscription Price and the rate of the underwriting commission, are fair and reasonable based on current market conditions. Accordingly, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

UPDATES ON THE USE OF PROCEEDS FROM THE LISTING

The planned use of the net proceeds (the "IPO Net Proceeds") as stated in the prospectus of the Company dated 31 January 2013 (the "IPO Prospectus") was based on the best estimation of future market conditions made by the Group at the time of preparing the IPO Prospectus. The actual use of the IPO Net Proceeds was based on the actual market development. The actual IPO Net Proceeds were approximately HK\$26 million, which was less than the estimated amount stated in the IPO Prospectus. In light of this, the Company intends

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to apply the IPO Net Proceeds as planned during the period from 25 February 2013, being the date of listing of the Shares on GEM (the “Listing”) to 30 September 2013, and adjust the estimated use of the IPO Net Proceeds proportionally for the period from 1 October 2013 to 31 March 2015.

Since the Listing and up to the Latest Practicable Date, the Group has utilised approximately HK\$10.2 million of the IPO Net Proceeds. As at the Latest Practicable Date, approximately HK\$15.8 million of the IPO Net Proceeds remain unutilised. The adjusted allocation of the estimated use of the IPO Net Proceeds from the Listing to 30 September 2014, the adjusted allocation of the estimated use of the IPO Net Proceeds from 30 September 2014 to 31 March 2015, the actual use of the IPO Net Proceeds from the Listing to the Latest Practicable Date, and the estimated use of the remaining IPO Net Proceeds are as follows:

| | Estimated use of the IPO Net Proceeds from the Listing to 30 September 2014 | Estimated use of the IPO Net Proceeds from 30 September 2014 to 31 March 2015 | Actual use of the IPO Net Proceeds from the Listing to the Latest Practicable Date | Estimated use of the remaining IPO Net Proceeds |
|---|--|--|---|--|
| | <i>(HK\$ in million)</i> | <i>(HK\$ in million)</i> | <i>(HK\$ in million)</i> | <i>(HK\$ in million)</i> |
| Exploring merger and acquisition opportunities and business collaboration | 5.3 | — | — | 5.3 |
| Enhancing the quality and expanding the professional team | 6.3 | 3.7 | 6.4 | 3.6 |
| Upgrading and maintaining the information technology system | 5.4 | 0.4 | 0.2 | 5.6 |
| Strengthening the marketing efforts | 2.6 | 0.4 | 1.7 | 1.3 |
| Working capital and other general corporate purposes | <u>1.9</u> | <u>—</u> | <u>1.9</u> | <u>—</u> |
| | <u><u>21.5</u></u> | <u><u>4.5</u></u> | <u><u>10.2</u></u> | <u><u>15.8</u></u> |

As explained in the section headed “Reasons for the Rights Issue and use of proceeds” above, as the portion of the IPO Net Proceeds of HK\$5.3 million allocated for business expansion may not be sufficient for any sizeable merger and acquisition opportunity, the Directors plan to strengthen the Company’s capital base by the Rights Issue in order to equip the Group with sufficient fund for any attractive and sizeable business opportunities. Since the Listing, the portion of the IPO Net Proceeds to upgrade the information technology system of the Group has not been utilised as intended. As stated in the IPO Prospectus, the Group intended to expand its mining advisory capabilities, from provision of valuation and technical advisory services at the exploration and development stage of the mining project life cycle to provision of mine operation management and mine closure and reclamation services at the later stages of the mining project life cycle. To this end, the Group expected that it would require to upgrade its information technology system including improving the existing software which is

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used for general mine consulting services as well as acquiring specialised mine management software which is normally customised to suit client's needs, and thus allocated IPO Net Proceeds of approximately HK\$5.8 million for such purpose. In addition, the Group also intended to recruit new professional staff including geologists and mining experts to enhance the services of the professional team.

Subsequent to the Listing and in December 2013, as part of the aforesaid business expansion plan, the Group hired one senior geologist who is one of the two founders of The Australasian Institute of Mining and Metallurgy (The AusIMM) in Hong Kong and is currently the branch's Honorary Secretary and responsible for high level technical consulting, business development and project management. He has been assisting the Group in reviewing the existing information technology system and software, and evaluating the specifications and quotations of a number of mine consultancy software and mine management software for the purpose of identifying appropriate new software to upgrade the Group's system. The Group has studied the specification of certain software for mine management, namely Fusion, PitRamp and Mine24D. Having considered that the Group's clients are engaging in various scopes of natural resources related services, the Group aims to acquire software systems that will provide more versatile applications to a wider range of mining projects and is researching on the effectiveness of certain mine consultancy software.

During the selection process, the Directors have taken note of the slowing down of the worldwide resources sector as evidenced by the drop in metal prices and the fact that the Group has not secured any mandate to provide mine operation management services. The Directors believe the prices of the abovementioned software may come down due to slacken market conditions. As the Directors consider that the existing information technology system used by the Group is sufficient to meet the present work load and requirements of the Group, the Group can wait until a later time to upgrade all of the existing systems and install additional new software and purchase mine management software in order to take advantage of a downward adjustment of the products while pending for the improvement in market activities. As a result, only approximately HK\$0.2 million out of the HK\$5.8 million of the IPO Net Proceeds allocated for upgrading and maintaining the information technology system of the Group has been utilised as at the date hereof. Although the upgrading of the software system is falling behind the original schedule as intended, the Group will continue to search for suitable software and purchase such software if the cost effectiveness is justified. The unutilised portion of the IPO Net Proceeds of HK\$5.6 million will continue to be earmarked for such purpose. The Group endeavors to look for professional software which could satisfy most of its clients' needs and utilise its resources effectively.

Due to the slowing down of the market as mentioned above, the Group has spent less resources on strengthening the marketing efforts. The Group has utilised approximately HK\$1.7 million on marketing compared to HK\$2.6 million as planned. The Group is of the view that more marketing effort should be made when there is a recovery of the market. Therefore, some of the allocated IPO Net Proceeds remained unutilised and such amount would be utilised when the market rebounds.

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FUND RAISING EXERCISE OF THE COMPANY SINCE ITS LISTING

The following is the fund raising activity of the Company since its Listing up to the Latest Practicable Date:

| Date of announcement | Event | Estimated net proceeds | Intended use of proceeds | Actual use of proceeds as at the Latest Practicable Date |
|----------------------|---|------------------------------|---|--|
| 15 August 2014 | Placing of 925,000,000 new Shares under general mandate | Approximately HK\$14 million | For the Group's provision of financing services | Utilised HK\$12.5 million for mortgage loan facilities |

Save as disclosed above, the Company did not conduct any fund raising exercise since its Listing up to the Latest Practicable Date.

CORPORATE ACTIONS OF THE COMPANY SINCE ITS LISTING

The followings are the corporate actions of the Company and the dilution effect on the share price and shares in issue after relevant corporate actions since its Listing up to the Latest Practicable Date:

| Date of announcement | Event | Dilution effect on the share price after the relevant corporate event | Total number of shares in issue after relevant corporate action | Dilution effect on the Company's shares in issue after the relevant corporate event <i>(Note 1)</i> |
|----------------------|--|---|---|--|
| 29 January 2014 | Subdivision of each of the then issued and unissued shares of the Company into ten subdivided shares | Adjusted downwards by 90% | 8,000,000,000 | No effect <i>(Note 2)</i> |
| 28 March 2014 | Issue of one bonus Share for every then issued Share held by qualifying shareholders of the Company | Adjusted downwards by 50% | 16,051,600,000 | No effect <i>(Note 2)</i> |
| 15 August 2014 | Placing of 925,000,000 new Shares under general mandate | No effect | 16,976,600,000 | 5.45% |
| 26 August 2014 | Proposed consolidation of every 16 issued and unissued Shares into one Consolidated Share | To be adjusted upwards by 16 times | 1,061,037,500 | No effect <i>(Note 2)</i> |
| 20 October 2014 | Proposed Rights Issue | To be adjusted downwards by 42.31% <i>(Note 3)</i> | 4,244,150,000 | 75% <i>(Note 4)</i> |
| | Accumulated dilution effect with reference to the number of shares in issue as at 25 February 2013 <i>(Note 5)</i> | | | 76.44% |

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Notes:

1. *The dilution effect is calculated by dividing the increase in number of shares of the Company with the aggregate number of shares in issue immediately after the relevant corporate event.*
2. *The corporate action was on a pro rata basis and the shareholding of all Shareholders would remain unchanged.*
3. *The dilution effect on the share price is calculated based on the theoretical ex-rights price of approximately HK\$0.120 per Consolidated Share and the theoretical closing price of HK\$0.208 per Consolidated Share based on the closing Share price as quoted on the Stock Exchange on 15 October 2014, being the Last Trading Day.*
4. *The dilution effect on the Consolidated Shares only applies to those Shareholders who do not apply for the proposed Rights Issue.*
5. *For illustrative purpose only, the accumulated dilution effect shows the effect on shareholdings after the corporate actions involving issue of new shares since the Listing and assuming nil acceptance by the Shareholders upon completion of the proposed Rights Issue.*

Save as disclosed above, the Company did not conduct any other corporate actions since its Listing up to the Latest Practicable Date.

POSSIBLE ADJUSTMENTS TO THE PRE-IPO SHARE OPTIONS AND SHARE OPTIONS

As a result of the Rights Issue, the exercise prices and/or the number of the Consolidated Shares to be issued pursuant to the outstanding Pre-IPO Share Options and Share Options may be adjusted in accordance with the terms and conditions of the Pre-IPO Share Option Scheme and the Share Option Scheme. The Board will instruct its auditor or an independent financial adviser to certify the adjustments, if any, to the outstanding Pre-IPO Share Options and Share Options and will inform the holders of the outstanding Pre-IPO Share Options and Share Options of the adjustments, if any, accordingly. The Company will make further announcements in respect of such adjustments (if any) and the date they are expected to take effect in due course.

RISK FACTORS

RISKS RELATING TO THE GROUP

The Group relies on its management team and other key personnel in operating its business

The Group's success relies, to a significant extent, on the experience and knowledge of the Group's professional staff and senior management. The Group cannot prevent staff from terminating their respective contracts in accordance with the relevant agreed conditions nor can the Group prevent staff from leaving and setting up business in competition with the Group. It may be costly and time-consuming to find suitable replacements for the Group's key personnel, particularly experienced geologists and mining experts as suitable candidates are scarce in the market. The loss of the services of one or more members of the Group's key personnel due to their departure or other reasons, if the Group fails to replace any vacancy by recruiting new

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competent personnel with relevant experience and knowledge in the market, and/or employees leaving and setting up business in competition with the Group could adversely and significantly affect the Group's operation and financial position. Although members of the senior management have given non-competition undertakings in favour of the Group, nevertheless, it may be difficult to prove a breach of these restrictive covenants which in the end could affect the Group's financial performance and operations.

The Group relies on independent professionals

The Group engages independent professionals on a project-by-project basis from time to time to work alongside the Group's professional team to perform natural resources valuation and technical advisory, real estate valuation and other services. In the event that the Group fails to engage suitable independent professionals for some of its projects when required, the Group's financial results may be adversely affected. Although the Group will use its reasonable endeavours to conduct background and experience checks on potential independent professionals prior to their engagement, it may not be able to ensure the accuracy, reliability and quality of the works of such third party service providers. In the event that the reports and/or valuations provided by those service providers turn out to be inaccurate, misleading or wrong in any material respect, the Group may suffer loss and be exposed to litigation risk as a result of actions taken by the Group's clients and/or those who have relied on such information, against the Group. As a result, the Group's financial results may be adversely affected.

The Group's business could be affected by the Stock Exchange's view on the quality of the Group's reports which are subject to the Stock Exchange's review and clearance and the difficulties in clearing them timely

The Group's business comprises, among others, issuing valuation and other reports including Competent Person's Reports and Natural Resources Valuation Reports that are subject to review and clearance by the Stock Exchange. The prolonged vetting process for the project between the execution of the Group's mandate and the issue of the client's circular mainly resulted from additional time being required by the relevant professional parties to update the initial accountants' reports and the initial valuation reports on the subject mines and properties, which were required to be included in the client's circular, due to the expiration of the initial accountants' reports and the initial valuation reports. In the course of updating the information required in the client's circular by relevant parties, the Group revisited and enhanced the disclosure in the Competent Person's Report and Natural Resources Valuation Report being included in the client's circular in view of the comments from the Stock Exchange and re-submitted the aforesaid reports to the Stock Exchange. The Group's business, growth prospects and results of operation and/or financial condition could be adversely affected by the quality of the Group's reports which are subject to the Stock Exchange's review and clearance.

Unpredictable nature of revenue model of the Group

The Group's revenue is generated from the provision of services on a project-by-project basis and is subject to the size of the project and the scope of services rendered. In addition, terms and conditions of each mandate including its payment schedule are generally negotiated

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and determined at arm's length with the Group's clients on a project-by-project basis. Given that the Group's revenue is non-recurring in nature, the Group's revenue and profitability are unpredictable. In addition, in respect of any mandate that has been or will be signed by the Group, there is also no assurance that the project will be completed pursuant to the terms and conditions of such mandate. If a project cannot be completed after a substantial amount of time and effort having been spent by the Group, or if the Group is unable to secure mandates with adequate costs coverage commensurate with the work to be done by the Group, the Group's revenue and profitability will be adversely affected.

The Group has a limited operating history and its future revenue and profits are subject to uncertainties

The Group has a relatively short operating history upon which an evaluation of its prospects and profitability can be based. Such prospects and profitability must be considered in light of the risks, uncertainties, expenses and difficulties encountered by any new company. Such risks and uncertainties may affect the Group's ability to (i) develop and maintain a wide range of valuation and technical advisory services for its clients; (ii) increase market acceptance of the Group's services; and (iii) compete with other services providers which provide same or similar services to that of the Group.

Possible adverse impact on the Group's business as a result of a loss of business reputation or negative publicity due to, among others, substandard quality of work or reports

As a professional services firm, the Group's ability to secure new projects depends heavily upon its reputation and the reputation of its professional team. Negative publicity associated with the Group or its professional team, including failure to meet clients' expectations or misconduct by the Group's professional team, could result in loss of clients or increased difficulty in soliciting new clients and projects. In the event that (i) any client or authority is not satisfied with the quality of work or reports prepared by the Group; (ii) there is any delay in completing the transactions because of the substandard quality of work performed by the Group; (iii) any party raises any complaints regarding the quality of the Group's work or reports; or (iv) any authority or regulator rejecting the work performed or reports prepared by the Group which comes to the attention of the public and/or its existing and/or potential clients, the business reputation and branding of the Group may be adversely affected. Similarly, referral by the Group's former or current clients is one of the sources of business for the Group. If any client has doubts on the Group's quality of work or that of the Group's professional team, such could impair the Group's ability to secure new clients and projects through referral, which will result in an adverse effect on the Group's business, growth prospects and results of operations and/or financial condition.

The Group in general does not enter into long-term contracts with its clients, which may expose the Group to potential uncertainty with respect to its revenue from time to time

The Group's revenue was derived mainly from companies listed on the Stock Exchange or other equity markets outside Hong Kong. Most of the clients engage the Group to perform various non-recurring valuation and technical advisory assignments in accordance with their respective business development plans and corporate activities. The Directors believe that it is

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a market practice that these companies tend not to enter into any long-term agreement or commitment with any valuer or technical adviser. There is no assurance that the Group's clients will continue retaining the Group to provide valuation and technical advisory services in the future. Should the Group fail to be awarded new projects in the future, the Group's operations and results would be adversely affected.

The Group is subject to potential exposure to professional liabilities

The Group's valuation and technical advisory services normally involve providing professional advice and professional reports to the Group's clients. A client, who relies on the Group's professional advice and professional reports, suffers loss as a result of the Group having been negligent in providing such services, could claim compensation from the Group. The Directors consider that the main business risk associated with valuation and technical advisory services is the possible claims or lawsuits arising from professional negligence, misconduct and fraudulent acts.

Internal control measures have been adopted by the Group to mitigate the risk arising from professional negligence, misconduct and fraudulent acts caused by the Group's employees and to ensure that all projects are performed with up-to-standard quality in accordance with the relevant standards, for the purpose of limiting its exposure to professional liability. In spite of the internal control measures adopted by the Group, there is no assurance that these measures can completely eliminate professional negligence, misconduct and/or fraudulent acts caused by the Group's employees. If the Group experiences any event of professional negligence, misconduct and/or fraudulent acts, the Group could be exposed to liabilities, such as claims and/or lawsuits. It may also have an adverse impact on the Group's financial position and reputation.

The Group may be adversely affected by the losses or liabilities arising from misstatement or leakage of confidential information handled by the Group

The Group has from time to time handled important and price-sensitive information for both companies listed on the Stock Exchange or other equity markets outside Hong Kong and private entities in providing services to its clients. The Group has required all of its employees to comply with its control procedures to protect the confidentiality of its client's information. However, there is no assurance that the procedures can completely eliminate mis-statement or leakage of its clients' confidential information. If the Group experiences any mis-statement or leakage of confidential information of its clients, the Group could be exposed to liabilities, such as complaints and/or claims, which may have an adverse impact on the Group's financial position and reputation.

The Group may not be adequately insured against losses and liabilities arising from its operations

The Group is not subject to any professional insurance requirement under the existing regulatory environment. The Directors believe that it is an industry norm or a common practice for local valuation firms in Hong Kong not to take out insurance coverage for potential liability arising from professional negligence, fraud or employee misconduct. In the event that there is

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any claim against the Group for damages arising from professional negligence, misconduct and/or fraudulent acts (which is not covered by the Group's insurance), the Group will consider making relevant provision for the contingent liabilities in its financial statements.

Any claims relating to professional negligence, misconduct and/or fraudulent act may lead to legal and/or other proceedings and may result in substantial costs and diversion of resources and management's attention. Any imposition of liability on the Group or any substantial claim against the Group for professional negligence, misconduct and fraudulent acts may adversely affect the Group's business and financial position.

In order to minimise the risks relating to professional liability, the Group has taken out professional indemnity insurance to cover its potential liability arising from professional negligence.

The Group may be exposed to risks in relation to compliance standards

Certain types of reports such as the Competent Person's Reports and the Natural Resources Valuation Reports to be issued by the Group are characterised by and subject to regulations and/or requirements under the Main Board Listing Rules, the GEM Listing Rules and/or internationally recognised codes and/or standards such as the Hong Kong Institute of Surveyors Valuation Standards on Properties, the IVS or the JORC Code etc. Compliance standards in relation to regulations and/or requirements may also change from time to time. New regulations and/or requirements and/or changes in the interpretation of existing regulations or requirements may escalate the compliance costs for the Group or limit the Group's ability to provide these services such that the Group's profitability in the provisions of valuation and technical advisory services may be affected. Any failure to comply with the regulations and/or requirements may also result in failure to issue reports and thereby affect the Group's financial performance.

Difficulties in seeking full payment of fee upon termination of underlying transaction

The terms of each mandate, including the payment schedule, are negotiated between the Group and its client and are determined on a case-by-case basis with reference to the specific circumstances of each project. It is the current approach of the Group to bill the fees under the mandates in three instalments under normal circumstances with the first instalment to be paid upon execution of the mandates, the second instalment to be paid upon circulation of first draft reports to clients and the final instalment to be paid upon the delivery of the final reports or at completion of the advisory services. Although the fee notes provide that the service fees are due for full payment upon presentation, if the underlying target project cannot be carried through to completion, or the performance target cannot be attained, the Group may have difficulties in seeking full payment from the client notwithstanding the terms of the mandate. In the event that (i) the projects in relation to the Group's clients are early terminated; or (ii) the Group's clients are unwilling or unable to settle the outstanding accounts receivable and/or accrued revenue balances, the Group may experience bad or doubtful debts and the Group's revenue, profitability and cash flow will be adversely affected.

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The Group may be exposed to risks of potential computer system failure and disruptions

Similar to all other computer network users, the network computer system of the Group is vulnerable to the attack of computer virus, worms, trojan horses, hackers or other similar computer network disruptive problems. Any failure in safeguarding the computer network system from these disruptive problems will cause the breakdown of the computer network system and leakage of confidential information of the Group and its clients. Although the Group has installed computer antivirus software and a network router to protect the network system and has been relying on third party authentication technology to facilitate the transmission of confidential information, there is no assurance that the Group's computer network system is absolutely secured. Any failure in the protection of computer network system from external threat may cause disruption of the operation of the Group and may damage the reputation of the Group for any breach of confidentiality to its clients and in turn may indirectly adversely affect the business operation and performance of the Group.

RISKS RELATING TO THE INDUSTRY

The Group's business may be adversely affected by the downturn of Hong Kong's economy or stock market owing to unforeseen circumstances

Since all of the Group's revenue is derived from Hong Kong, the Group's business and results of operations are affected by the overall performance of the Hong Kong economy which is influenced by factors including, inter alia, local and international economic and political conditions, general market sentiment, changes in the regulatory environment and fluctuations in interest rates. Unforeseen circumstances such as economic downturn or natural disaster which are beyond the control of the Group may affect its business. Likewise, any prolonged downturn in the stock market may lead to a reduction in mergers and acquisitions, initial public offerings and/or other corporate activities, which may adversely affect the volume of the Group's business and profitability. Any such unforeseen circumstances may adversely affect the operations and financial performance of the Group in a material respect.

Moreover, the future prospects of Hong Kong are linked to the economic, social and political development of the PRC and any unfavorable disruption to such development could have an adverse effect on the Hong Kong economy.

Further, any adverse change in the economic conditions in Hong Kong will have adverse impact on the Group such as increase in the risk of cancellation or termination of projects by clients and default in payment of fees. If such events materialise, the Group's performance will be adversely affected.

The Group may be adversely affected by changes in the laws and regulations governing companies listed on the Stock Exchange

A majority of the Group's clients are companies listed on the Stock Exchange, which are subject to all the applicable laws and regulations, including but not limited to, the Main Board Listing Rules and the GEM Listing Rules.

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According to the Main Board Listing Rules and the GEM Listing Rules, applicants for initial public offering and companies listed on the Stock Exchange entering into major transactions, very substantial acquisitions, very substantial disposals or connected transactions involving acquisition or disposal of any property may require to engage independent valuers to prepare independent valuation reports on the properties. In the case of mineral companies, applicants for initial public offering and companies listed on the Stock Exchange entering into major transactions, very substantial acquisitions, very substantial disposals or reverse takeovers, they may be required to engage a Competent Person to prepare Competent Person's Reports or both a Competent Person and a Competent Evaluator to prepare both Competent Person's Reports and Natural Resources Valuation Reports.

Should the Main Board Listing Rules and/or the GEM Listing Rules be amended in such a way that the scope of work or extent of the Competent Person's Report or the Natural Resources Valuation Report are reduced or no longer required, the volume of the Group's business and profitability may be adversely affected.

The Group operates in a highly competitive industry

The Directors believe that the valuation and technical advisory industry in which it operates is fragmented and unstructured and the Group has to face competition from different consulting and professional firms. The Directors consider that competition in this industry is based on quality and scope of services, market reputation, business network and pricing. In particular, participants in this industry operate in a fast-changing business environment.

The Directors believe that competition within the industry is intense and the Group has to compete with competitors who may have better or longer established reputations, more resources (both human and financial), a wider range of services and longer operating history than the Group. Should the Group fail to compete with its competitors by maintaining its competitive advantages and responding rapidly to a fast changing business environment, the Group's operations would be adversely affected.

FINANCIAL RISKS OF THE GROUP

Currency risk

Currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to currency risk is limited to its bank balances denominated in Renminbi ("RMB") as majority of the Group's transactions, monetary assets and liabilities are denominated in HK\$ and US\$. As US\$ is pegged to HK\$, the Group does not expect any significant movements in the US\$/HK\$ exchange rates.

Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank balances and bank borrowings. The Group currently does not use any derivative contracts to hedge its loans to interest rate risk. However, the management will consider hedging significant interest rate exposure should the need arise.

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Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operation and its loans receivable.

The Group's policy is to deal with credit worthy counterparties. The Group generally grants credit terms of 0–90 days to the customers. In some cases, customers may be required to pay in advance or partial deposit. In addition, management is responsible for overseeing the credit quality of the Group's loan portfolio. Payment record of customers is closely monitored and management will determine appropriate recovery actions for overdue balances. Management reviews the recoverability of trade and loans receivables individually or collectively at end of reporting period to ensure that provision for impairment is adequate for irrecoverable amounts.

Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group is exposed to liquidity risk in respect of settlement of trade payables and its financial obligations, and also in respect of its cash flow management. The cash management of all operating entities is centralised, including the raising of funds to cover expected cash demands. The Group's objective is to maintain sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

WARNING OF THE RISKS OF DEALING IN THE SHARES OR CONSOLIDATED SHARES AND THE NIL-PAID RIGHTS SHARES

The Rights Issue is conditional upon the fulfillment of the conditions set out under the sub-section headed “Conditions of the Rights Issue” in the section headed “Proposed Rights Issue” above. The Underwriter is entitled under the Underwriting Agreement to terminate the Underwriting Agreement on the occurrence of certain events, including but not limited to force majeure, as described above. The Rights Issue is also subject to the Underwriter not terminating the Underwriting Agreement. Accordingly, the Rights Issue may or may not proceed.

Any dealing in the Shares or Consolidated Shares from the date of the Announcement up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealing in the Rights Issue in their nil-paid form between Monday, 8 December 2014 to Monday, 15 December 2014, both dates inclusive, will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Consolidated Shares or the Rights Shares in their nil-paid form are advised to consult their own professional advisers.

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby any one of them has or may have temporarily or permanently passed control over the exercise of the voting right in respect of its Consolidated Shares to a third party, either generally or on a case-by-case basis.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board
Roma Group Limited
Yue Kwai Wa Ken
Executive Director and Company Secretary

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

The audited financial information of the Group for each of the three years ended 31 March 2012, 2013 and 2014 can be referred to in appendix I of the listing document of the Company dated 31 January 2013 and the annual reports of the Company for the years ended 31 March 2013 (pages 33 to 85) and 2014 (pages 33 to 95) published on 11 June 2013 and 27 June 2014 respectively. The auditor of the Company has not issued any qualified opinion on the Group's financial statements for the financial years ended 31 March 2012, 2013 and 2014. The unaudited financial information of the Group for the six months ended 30 September 2014 can be referred to the interim report of the Company for the six months ended 30 September 2014 (pages 3 to 29).

The above-mentioned financial information and auditor's reports have been published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (<http://www.romagroup.com>).

2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 October 2014, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group had bank borrowings of approximately HK\$30.9 million and finance lease liabilities of approximately HK\$3.6 million.

Securities

As at 31 October 2014, a bank borrowing of HK\$30.0 million was secured by bank deposits of approximately HK\$43.4 million and another bank borrowing of approximately HK\$0.9 million was guaranteed by the executive Directors.

As at 31 October 2014, finance lease liabilities were secured by the Group's motor vehicles with net book value of approximately HK\$4.0 million.

Contingent Liabilities

As at 31 October 2014, bank loan facilities of approximately HK\$31.1 million were utilised to the extent of approximately HK\$30.9 million. Such bank loan facilities were secured by the Group's bank deposits and guaranteed by the executive Directors as mentioned above. Save for the above, the Group had no material contingent liabilities as at 31 October 2014.

Disclaimers

Save as disclosed above and apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills), or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities as at 31 October 2014.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that the Group will, taking into account the net proceeds from the Rights Issue and the financial resources available to the Group, have sufficient working capital for its present operating requirements and for at least the next twelve months from the date of this Prospectus, in the absence of unforeseeable circumstances.

4. BUSINESS REVIEW AND FINANCIAL AND TRADING PROSPECTS

The Group continues its penetration into the market of provision of valuation and technical advisory services in Hong Kong. As at 30 June 2014, there were about 300 on-going projects in relation to the valuation and technical advisory services. During the three months ended 30 June 2014, the Group has undertaken about 170 new projects in relation to the valuation and technical advisory services. Such achievement demonstrated that the Group has well established in the market of valuation in Hong Kong.

The Group intends to expand its existing valuation and technical advisory services through acquisitions, business collaboration and/or partnership arrangements if and when suitable business opportunities arise. The Directors intend to grow the size of the advisory team, enhance the capability of the Group, expand scope of services to be provided and increase the market share of the Group in a more efficient way. Having conducted the necessary market research and analysis, the Directors believe that it is more probable that the Group will go by way of acquisitions of existing business, rather than merger or combination or collaboration of business with other counterparts in the industry. The Company plans to allocate approximately HK\$131.9 million of the net proceeds from the Rights Issue for such purpose.

The Group also plans to grow its provision of financing services business conducted through an indirect wholly-owned subsidiary of the Company, which is licensed to conduct money lending business in Hong Kong in October 2013. During the three months ended 30 June 2014, the Group expanded its loan portfolio. On 2 May 2014, the Group granted a mortgage loan in an amount of HK\$10.5 million to a company, which is independent of the Company and its connected persons. As the growth and performance of the business exceeded the Group's original expectation at the time of the August 2013 budget, the Company decided that it would be in the interests of the Company and its Shareholders to expand into the financing business.

The Board considers that financing business is a good profit contributor to the Group taking into account the existing relatively small size of the loan portfolio and yet the reasonable return generated therefrom. In view of the growing demand for the Group's financing services particularly for mortgage loans and the relatively high value of properties in general in the Hong Kong market, the Board takes the view that it would be in the interests of the Company and its Shareholders to expand into this business. The Company plans to allocate approximately HK\$126.3 million of the net proceeds from the Rights Issue to the financing business to fund the growth in loan portfolio and the related operating expenses.

As at the Latest Practicable Date, the Directors confirmed that the Company has no plan to commence business which is new to the existing businesses of the Group.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP ATTRIBUTABLE TO OWNERS OF THE COMPANY

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared by the Directors of the Company in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue had taken place on 30 September 2014.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the unaudited net assets of the Group attributable to owners of the Company as at 30 September 2014, as extracted from the published interim report of the Company for the six months ended 30 September 2014 and is adjusted for the effect of the Rights Issue.

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not reflect the true picture of the consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue.

Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group

| | Unaudited consolidated net assets of the Group attributable to owners of the Company as at 30 September 2014 | Adjustments for intangible assets | Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2014 | Unaudited consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30 September 2014 | Estimated net proceeds from the Rights Issue | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2014 | Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 30 September 2014 |
|---|--|-----------------------------------|---|--|--|--|---|
| | HK\$'000 | HK\$'000 | HK\$'000 | HK\$ | HK\$'000 | HK\$'000 | HK\$ |
| | Note 2 | Note 3 | | Note 4 | Note 5 | | Note 6 |
| Issue of Rights Shares based on 3,183,112,500 Rights Shares at the subscription price of HK\$0.09 per Rights Share (Note 1) | 91,945 | (312) | 91,633 | 0.09 | 280,188 | 371,821 | 0.09 |

Notes:

- The number of 3,183,112,500 Rights Shares is calculated on the basis of three Rights Shares for every one Consolidated Share held on the Record Date. It is based on 1,061,037,500 Consolidated Shares in issue immediately before the proposed Rights Issue. In addition, the holders of the Pre-IPO Share Options and the Share Options have undertaken not to exercise their options held on or before the Record Date.
- The unaudited consolidated net assets of the Group attributable to the owners of the Company as at 30 September 2014 is extracted from the published interim report of the Company for the six months ended 30 September 2014.

3. These represent the unaudited amounts of the Group's intangible assets, representing computer software, of approximately HK\$312,000 which are attributable to the owners of the Company as at 30 September 2014. The amounts are extracted from the published interim report of the Company for the six months ended 30 September 2014.
4. The calculation of unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Consolidated Share is based on 1,061,037,500 Consolidated Shares in issue as at 30 September 2014 as if the Share Consolidation (as described in note 7) had become effective as at 30 September 2014.
5. The estimated net proceeds from the Rights Issue is calculated based on 3,183,112,500 Rights Shares to be issued at the subscription price of HK\$0.09 per Rights Share and after deduction of the estimated related expenses including financial advisory fee, underwriting commission and other professional fees, which are directly attributable to the Rights Issue of approximately HK\$6,292,000.
6. The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share immediately after completion of the Rights Issue is calculated based on 4,244,150,000 Consolidated Shares which comprise 1,061,037,500 Consolidated Shares in issue as at 30 September 2014 and 3,183,112,500 Rights Shares expected to be issued on the completion of the Rights Issue.
7. Pursuant to the poll result of EGM I, the Share Consolidation on the basis that every 16 issued and unissued Shares of HK\$0.001 each in the share capital of the Company be consolidated into 1 Consolidated Share of HK\$0.016 each was approved. The Share Consolidation became effective on 25 November 2014.
8. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company per Share as at 30 September 2014, excluding the effect of the Share Consolidation which was completed on 25 November 2014, was approximately HK\$0.01, which is based on 16,976,600,000 Shares in issue as at 30 September 2014.
9. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2014.

The following is the text of an accountant's report, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountant, BDO Limited, Certified Public Accountants, Hong Kong, in respect of the unaudited pro forma financial information of the Group.

B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN AN INVESTMENT CIRCULAR



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香港干諾道中111號
永安中心25樓

To the Directors of Roma Group Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Roma Group Limited (the “Company”) and its subsidiaries (collectively the “Group”) (the “Pro Forma Financial Information”) by the directors of the Company (the “Directors”) for illustrative purposes only. The Pro Forma Financial Information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group and related notes. The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in the section headed “Unaudited Pro Forma Statement of Adjusted Consolidated Net Tangible Assets of the Group Attributable to Owners of the Company” in Section A of Appendix II to the Company’s prospectus dated 4 December 2014 (the “Prospectus”).

Directors’ Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG 7”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Reporting Accountant’s Responsibilities

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus”, issued by the HKICPA. This standard

requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 31 of Chapter 7 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Rights Issue (as defined in the Prospectus) on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for the purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

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

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

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Pro Forma Financial Information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Listing Rules.

Yours faithfully,

BDO Limited

Certified Public Accountants

Alfred Lee

Practising Certificate Number P04960

Hong Kong, 4 December 2014

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL**As at the Latest Practicable Date**

| | |
|--|-------------------|
| <i>Authorised:</i> | <i>HK\$</i> |
| <u>5,000,000,000</u> Consolidated Shares | <u>80,000,000</u> |

Issued and fully-paid or credited as fully-paid:

| | |
|--|-------------------|
| <u>1,061,037,500</u> Consolidated Shares | <u>16,976,600</u> |
|--|-------------------|

Immediately after completion of the Rights Issue

| | |
|--|-------------------|
| <i>Authorised:</i> | <i>HK\$</i> |
| <u>5,000,000,000</u> Consolidated Shares | <u>80,000,000</u> |

Issued and fully-paid or credited as fully-paid:

| | |
|--|-------------------|
| 1,061,037,500 Consolidated Shares | 16,976,600 |
| <u>3,183,112,500</u> Rights Shares | <u>50,929,800</u> |
| <u>4,244,150,000</u> Consolidated Shares | <u>67,906,400</u> |

All the Consolidated Shares in issue and the Rights Shares (when allotted and fully-paid) to be issued rank pari passu with each other in all respects including as regards to dividends and voting rights. The Rights Shares to be issued will be listed on the Stock Exchange.

As at the Latest Practicable Date, save for 65,775,000 outstanding Pre-IPO Share Options and 11,000,000 outstanding Share Options which in aggregate confer holders thereof the rights to subscribe for 76,775,000 Consolidated Shares, the Company had no outstanding warrants, options or convertible or exchangeable securities in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing Consolidated Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Consolidated Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there is no arrangement under which future dividends are/will be waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in the shares, underlying shares and debentures of the Company and associated corporations

| Name of Director | The Company/ name of associated company | Capacity/nature of interests | Number of shares | Number of underlying shares (Note 2) | Aggregate interest | Approximate percentage of interest |
|----------------------------|---|---|---|---|---------------------------------------|--|
| Mr. Luk, Kee Yan Kelvin | The Company | Interest of a controlled corporation | 255,750,000 Consolidated Shares (Note 1) | — | | |
| | | | — | 7,000,000 Consolidated Shares | 262,750,000 Consolidated Shares | 24.76% |
| | Aperto | Interest of a controlled corporation | 1 share of US\$1.00 | — | 1 share of US\$1.00 | 100.00% |
| Mr. Yue, Kwai Wa Ken | The Company | Beneficial interest | — | 10,000,000 Consolidated Shares | 10,000,000 Consolidated Shares | 0.94% |
| Mr. Chan, Ka Kit | The Company | Beneficial interest | 225,000 Consolidated Shares | 525,000 Consolidated Shares | 750,000 Consolidated Shares | 0.07% |

Notes:

1. *These Consolidated Shares are registered in the name of Aperto, the entire issued share capital of which is legally and beneficially owned by Mr. Luk, Kee Yan Kelvin. Under the SFO, Mr. Luk is deemed to be interested in all the Consolidated Shares held by Aperto.*
2. *These represent the Consolidated Shares to be issued and allotted by the Company upon exercise of the Pre-IPO Share Options granted under the Pre-IPO Share Option Scheme.*

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required to be entered in the register referred to therein pursuant to section 352 of the SFO; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(b) Substantial Shareholders and other persons' interests in the Consolidated Shares and underlying Consolidated Shares

As at the Latest Practicable Date, so far as any Directors are aware, the interests or short positions owned by the following parties (other than the Directors or chief executives of the Company) in the Consolidated Shares or underlying Consolidated Shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Long position in the Consolidated Shares, underlying Consolidated Shares and debentures of the Company

| Name of Shareholder | Nature of interest | Number of Consolidated Shares | Approximate percentage of interest |
|------------------------|--------------------|-------------------------------|------------------------------------|
| Aperto (<i>Note</i>) | Beneficial owner | 255,750,000 | 24.10% |

Note: The entire issued share capital of Aperto is legally and beneficially owned by Mr. Luk, Kee Yan Kelvin, being the executive Director, chairman and chief executive officer. Under the SFO, Mr. Luk is deemed to be interested in all the Consolidated Shares held by Aperto.

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executives of the Company) in the Consolidated Shares or underlying Consolidated Shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without payment of any compensation (other than statutory compensation)).

5. EXPERT

The following is the qualifications of the expert who has given opinion or advice which is contained in this Prospectus:

| Name | Qualifications |
|-------------|------------------------------|
| BDO Limited | Certified Public Accountants |

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of their letters or their names in the form and context in which they appear.

The above expert does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any interest, either directly or indirectly, in any assets which had been since 31 March 2014 (being the date to which the latest published audited financial statements of the Company were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. INTERESTS OF COMPLIANCE ADVISER

As notified by Company's compliance adviser, Quam Capital Limited (the "Compliance Adviser"), except for the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 29 January 2013, neither the Compliance Adviser nor its directors, employees or associates had any interests in relation to the Company or any member of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at the Latest Practicable Date.

7. LITIGATION

As at the Latest Practicable Date, so far as the Directors were aware of, no member of the Group was involved in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Company or any of its subsidiaries within the two years immediately preceding the date of this Prospectus and are or may be material:

- (i) the placing agreement dated 15 August 2014 entered into between the Company and Infast Brokerage Limited in relation to the placing of a maximum of 963,096,000 Shares at the placing price of HK\$0.0155 per placing share; and
- (ii) the Underwriting Agreement.

9. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or their respective associates had any interests in businesses which competed or might compete with the businesses of the Group or had any other conflict of interests with the Group.

10. DIRECTORS' INTEREST IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been since 31 March 2014 (being the date to which the latest published audited financial statements of the Group 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.

11. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial position or trading position of the Group since 31 March 2014, being the date to which the latest published audited financial statements of the Group were made up.

12. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$6.3 million, which are payable by the Company.

13. CORPORATE INFORMATION

| | |
|--|--|
| Registered office | Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands |
| Head office and principal place of business in Hong Kong | Unit 3806, 38th Floor China Resources Building 26 Harbour Road Wanchai Hong Kong |
| Executive Directors | Luk Kee Yan, Kelvin Flat A, 15th Floor Golden Dragon Building 41 Tang Lung Street Causeway Bay Hong Kong Yue Kwai Wa, Ken No. 21, 3rd Floor Yik Yam Street Happy Valley Hong Kong |
| Independent non-executive Directors | Chan Ka Kit Flat C2, 9th Floor Oxford Court 24 Braemar Hill Road North Point Hong Kong Ko Wai Lun, Warren 15th Floor Villa Elegance No. 1 Robinson Road Mid-Levels Hong Kong Lou Ming Flat A, 20th Floor Block 2 Lyttelton Garden 29 Lyttelton Road Mid-Levels Hong Kong |

| | |
|--|---|
| Company secretary | Yue Kwai Wa, Ken Certified Public Accountant No. 21, 3rd Floor Yik Yam Street Happy Valley Hong Kong |
| Compliance officer | Yue Kwai Wa, Ken Certified Public Accountant No. 21, 3rd Floor Yik Yam Street Happy Valley Hong Kong |
| Authorised representatives | Luk Kee Yan, Kelvin Flat A, 15th Floor Golden Dragon Building 41 Tang Lung Street Causeway Bay Hong Kong Yue Kwai Wa, Ken No. 21, 3rd Floor Yik Yam Street Happy Valley Hong Kong |
| Auditor | BDO Limited Certified Public Accountants 25/F., Wing On Centre 111 Connaught Road Central Hong Kong |
| Principal share registrar and transfer office | Codan Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands |
| Hong Kong branch share registrar and transfer office | Tricor Investor Services Limited Level 22 Hopewell Centre 183 Queen's Road East Hong Kong |

| | |
|-------------------|---|
| Principal bankers | The Hongkong and Shanghai Banking Corporation Limited 1st Floor Tower 2 HSBC Centre 1 Sham Mong Road Kowloon Hong Kong |
| | China Construction Bank (Asia) Corporation Limited Suite 2508-14 25/F Tower 6 The Gateway Harbour City Kowloon Hong Kong |

14. PARTIES INVOLVED IN THE RIGHTS ISSUE

| | |
|----------------------------------|--|
| Underwriter | Emperor Securities Limited 23th to 24th Floor Emperor Group Centre 288 Hennessy Road Hong Kong |
| Financial adviser to the Company | Optima Capital Limited Suite 1501, 15th Floor Jardine House 1 Connaught Place Central, Hong Kong |
| Independent financial adviser | Opus Capital Limited 18th Floor, Fung House 19-20 Connaught Road Central Central, Hong Kong |
| Legal adviser to the Company | <i>as to Hong Kong laws</i> Michael Li & Co 19/F., Prosperity Tower No. 39 Queen's Road Central Central, Hong Kong |

as to Cayman Islands laws
Conyers Dill & Pearman (Cayman) Limited
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Reporting accountant

BDO Limited
Certified Public Accountants
25/F., Wing On Centre
111 Connaught Road Central
Hong Kong

15. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Luk, Kee Yan Kelvin, aged 31, was appointed as an executive Director on 4 March 2011 and as the chairman and chief executive officer of the Company on 26 September 2011. Mr. Luk is the founder of the Group and leads the overall management, business development and strategic planning of the Group. He is also a member of each of the remuneration committee and the nomination committee of the Company and a director of a number of subsidiaries of the Company. Mr. Luk obtained a bachelor degree in mathematics (applied science) from the University of California, Los Angeles and a postgraduate diploma in professional accounting from The Hong Kong Polytechnic University. He is a member of the Australasian Institute of Mining and Metallurgy. Mr. Luk has over 10 years of experience in provision of valuation and advisory services. Mr. Luk is the sole director and the sole shareholder of Aperto, a substantial Shareholder. He is also an executive director and chairman of Larry Jewelry International Company Limited whose shares are listed on GEM (Stock Code: 8351).

Mr. Yue, Kwai Wa Ken, aged 49, was appointed as an executive Director on 18 March 2011. Mr. Yue is the company secretary and the compliance officer of the Company and is also a director of a number of subsidiaries of the Company. He is currently responsible for the overall business development, corporate advisory and valuation functions of the Group. Mr. Yue obtained a diploma of technology in financial management accounting option from the British Columbia Institute of Technology in Canada and a bachelor degree of science in accounting from Upper Iowa University of the United States. He is a member of the American Institute of Certified Public Accountants and a fellow member of the Colorado State Society of Certified Public Accountants. Mr. Yue has approximately 20 years of experience in accounting, auditing and corporate finance. Mr. Yue was an executive director of Legend Strategy International Holdings Group Company Limited whose shares are listed on the Stock Exchange (Stock Code: 1355) from July 2014 to November 2014. He is also an independent non-executive director of each of Major Holdings Limited whose shares are listed on GEM (Stock Code: 8209) and China Starch Holdings Limited whose shares are listed on the Stock Exchange (Stock Code: 3838).

Independent non-executive Directors

Mr. Chan, Ka Kit, aged 39, was appointed as an independent non-executive Director on 26 September 2011. He is the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of the Company. Mr. Chan obtained his bachelor degree of art in accountancy from the City University of Hong Kong. He is a certified public accountant of the Hong Kong Institute of Certified Public Accountants. He has over 13 years of experience in handling various projects with companies in Hong Kong and the PRC, including accounting and taxation as well as setting up and modifying internal control system of group companies. Mr. Chan was the chief financial officer and company secretary of Sparkle Roll Group Limited whose shares are listed on the Stock Exchange (Stock Code: 970) from January 2008 to August 2010 and the financial controller of North Asia Resources Holdings Limited whose shares are listed on the Stock Exchange (Stock Code: 61) from August 2010 to March 2011. Mr. Chan is the chief financial officer and company secretary of Lijun International Pharmaceutical (Holding) Company Limited whose shares are listed on the Stock Exchange (Stock Code: 2005).

Mr. Ko, Wai Lun Warren, aged 47, was appointed as an independent non-executive Director on 6 March 2014. He is the chairman of the remuneration committee and a member of each of the audit committee and the nomination committee of the Company. Mr. Ko was educated in Canada and England. He obtained his bachelor of science degree from the Simon Fraser University in Canada and bachelor of laws degree from the University of Leeds in England. Mr. Ko was a partner of Richards Butler, an international law firm, between 2001 and 2005. He is currently a partner at the law firm, Robertsons, and specialises in corporate finance work including initial public offerings, mergers and acquisitions and restructuring. Mr. Ko is qualified to practise law in both England and Wales and Hong Kong. Mr. Ko is a non-executive director of Global Tech (Holdings) Limited whose shares are listed on the Stock Exchange (Stock Code: 143) and the Singapore Exchange Securities Trading Limited. He is also an independent non-executive director of each of Li Heng Chemical Fibre Technologies Limited whose shares are listed on the Singapore Exchange Securities Trading Limited and China Bio Cassava Holdings Limited whose shares are listed on the Stock Exchange (Stock Code: 8129).

Mr. Lou, Ming, aged 42, was appointed as an independent non-executive Director on 7 August 2014. He is the chairman of the nomination committee and a member of each of the audit committee and the remuneration committee of the Company. Mr. Lou obtained a bachelor degree in business administration from the Hong Kong University of Science and Technology and a master degree in corporate finance from The Hong Kong Polytechnic University. Mr. Lou has around 20 years of experience in banking and corporate finance and has extensive experience in provision of advisory services to enterprises in Hong Kong and the PRC, including initial public offerings on the main board of the Stock Exchange and GEM, takeovers, acquisitions and disposals of assets, debt and corporate restructuring, privatisation and spin-off of listed companies. He is currently registered with the Securities and Futures Commission as a responsible officer for type 6 (advising on corporate finance) regulated activity.

Audit committee

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the Hong Kong Institute of Certified Public Accountants and the mandatory provisions in the Corporate Governance Code of the GEM Listing Rules. The primary duties of the audit committee are to review the Company's annual reports and accounts, interim reports and quarterly reports and to provide advices and comments thereon to the Board. The audit committee is also responsible for reviewing the accounting principles and practices adopted by the Group and also the auditing, internal control and financial reporting matters.

The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Chan, Ka Kit, Mr. Ko, Wai Lun Warren and Mr. Lou, Ming.

16. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein and governed by and shall be constructed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the CWUMPO so far as applicable.

17. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto the written consent referred to in the paragraph headed "Expert" in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the CWUMPO.

18. MISCELLANEOUS

This Prospectus has been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the head office and principal place of business in Hong Kong of the Company at Unit 3806, 38th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong from the date of this Prospectus up to and including Thursday, 18 December 2014:

- (a) the memorandum of association and articles of association of the Company;
- (b) the annual reports of the Company for each of the two years ended 31 March 2013 and 2014;
- (c) the interim report of the Company for the six months ended 30 September 2014;
- (d) the accountant's report from BDO Limited on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (e) the written consent referred to in the paragraph headed "Expert" in this appendix;
- (f) the material contracts referred to in the paragraph headed "Material contracts" in this appendix;
- (g) the Circular; and
- (h) this Prospectus, the PAL and the EAF.