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If you have sold or transferred all your shares in Roma Group Limited (the "Company"), you should at once hand this circular and the accompanying proxy form 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.

This circular appears for information only and does not constitute an invitation or offer to shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

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**PROPOSED RIGHTS ISSUE ON THE BASIS OF
THREE RIGHTS SHARES FOR EVERY ONE CONSOLIDATED SHARE
HELD ON THE RECORD DATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

Financial adviser to the Company



Underwriter of the Rights Issue



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

Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders



A letter from the Independent Board Committee is set out on page 30 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 31 to 56 of this circular.

It should be noted that the Shares will be dealt in on an ex-rights basis from Wednesday, 26 November 2014. 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 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 5 to 6 of this circular. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

A notice convening the EGM to be held at Unit 3806, 38th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong, at 8:15 a.m. on Monday, 24 November 2014 is set out on pages 75 to 77 of this circular. A proxy form for use at the meeting is enclosed. Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so desire and in such case, the proxy form shall be deemed to be revoked.

This circular will remain on the GEM website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.romagroup.com.

* For identification purpose only

6 November 2014

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

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
Latest time for lodging transfers of Shares in order to qualify for attendance and voting at the EGM.....	4:30 p.m. on Wednesday, 19 November
Closure of register of members of the Company to determine the qualification for attendance and voting at the EGM	Thursday, 20 November to Monday, 24 November (both dates inclusive)
Latest time for lodging form of proxy for the EGM relating to the Rights Issue.....	8:15 a.m. on Saturday, 22 November
Expected date and time of the EGM relating to the Rights Issue.....	8:15 a.m. on Monday, 24 November
Announcement of the results of the EGM relating to the Rights Issue.....	Monday, 24 November
Register of members re-opens.....	Tuesday, 25 November
Share Consolidation becoming effective	Tuesday, 25 November
First day of free exchange of existing share certificates in pink for new share certificates in purple for the Consolidated Shares	Tuesday, 25 November
Commencement of dealings in Consolidated Shares	9:00 a.m. on Tuesday, 25 November
Original counter for trading in the Shares in board lots of 20,000 Shares (in the form of existing share certificates in pink) temporarily closes.....	9:00 a.m. on Tuesday, 25 November

EXPECTED TIMETABLE

Event	2014
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) opens	9:00 a.m. on Tuesday, 25 November
Last day of dealings in the Shares on a cum-rights basis.....	Tuesday, 25 November
First day of dealings in the Shares on an ex-rights basis.....	Wednesday, 26 November
Latest time for lodging transfers of Shares to be entitled for the Rights Issue	4:30 p.m. on Thursday, 27 November
Closure of register of members of the Company to determine the entitlements to the Rights Issue	Friday, 28 November to Wednesday, 3 December (both dates inclusive)
Record Date for the Rights Issue	Wednesday, 3 December
Register of members re-opens	Thursday, 4 December
Despatch of the Prospectus Documents	Thursday, 4 December
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

EXPECTED TIMETABLE

Event **2014**

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

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 date.

EXPECTED TIMETABLE

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 circular, 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
“Company”	Roma Group Limited, an exempted company incorporated under the laws of the Cayman Islands, the issued Shares of which are listed on GEM
“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
“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”	the extraordinary general meeting of the Company to be convened 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

DEFINITIONS

“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 Board Committee”	the independent committee of the Board constituted by all the independent non-executive Directors for the purpose of giving a recommendation to the Independent Shareholders on the Rights Issue
“Independent Financial Adviser”	Opus Capital Limited, a licensed corporation registered under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
“Independent Shareholders”	the Shareholders who are not required under the GEM Listing Rules to abstain from voting on the resolution approving the Rights Issue at the EGM
“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”	4 November 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information referred to in this circular
“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
“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 circular, excludes Hong Kong, the Macao Special Administrative Region and Taiwan

DEFINITIONS

“Pre-IPO Share Options”	the share options 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”	the prospectus to be issued by the Company in relation to the Rights Issue
“Prospectus Documents”	together, the Prospectus, the PAL and the EAF
“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
“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 proposed consolidation of every sixteen (16) issued and unissued Shares of HK\$0.001 each into one (1) Consolidated Share of HK\$0.016 each, details of which are set out in the announcements of the Company dated 26 August 2014, 11 September 2014 and 19 September 2014

DEFINITIONS

“Share Options”	the share options 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)
“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 Shares”	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

6 November 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

Reference is made to the Announcement 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 Rights Issue is subject to the approval of the Independent Shareholders at the EGM.

The purpose of this circular is to provide you with (i) further details of the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue; (iv) financial information and other general information of the Group; and (v) the notice of EGM.

* *For identification purpose only*

LETTER FROM THE BOARD

PROPOSED RIGHTS ISSUE

Issue statistics

Basis of Rights Issue:	Three Rights Shares for every one Consolidated Share held on the Record Date
Number of Shares in issue as at the Latest Practicable Date:	16,976,600,000 Shares
Number of Consolidated Shares in issue assuming the Share Consolidation has become effective:	1,061,037,500 Consolidated Shares (assuming no further issue of new Shares or repurchase of Shares up to the effective date of the Share Consolidation)
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 and assuming the Share Consolidation becomes effective and no further Shares will be issued or repurchased by the Company on or before 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 1,064,400,000 outstanding Pre-IPO Share Options and 176,000,000 outstanding Share Options which in aggregate confer holders thereof the rights to subscribe for 1,240,400,000 Shares. Subject to the Share Consolidation becoming effective, the number of Pre-IPO Share Options and Share Options would be adjusted and in aggregate confer holders thereof the rights to subscribe for 77,525,000 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 Shares.

LETTER FROM THE BOARD

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. In order to be registered as members of the Company on the Record Date, all transfers of the Shares (together with the relevant share certificate(s) and/or instrument(s) of transfer) must be lodged with the Company's branch share registrars in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. (Hong Kong time) on Thursday, 27 November 2014. It is expected that the last day of dealings in the Shares on a cum-rights basis is Tuesday, 25 November 2014 and the Shares will be dealt in on an ex-rights basis from Wednesday, 26 November 2014.

The Company will send the Prospectus Documents, including the Prospectus, the PAL and the EAF, to the Qualifying Shareholders. The Company will send the Prospectus to the Excluded Shareholders (if any) for their information only.

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, there were a total of 355 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 advisers 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 the 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.

The Company will continue to ascertain whether there are any other Overseas Shareholders in any other jurisdiction(s) on the Record Date. The Company will, if necessary, make enquiries regarding the legality and feasibility of extending the offer of the Rights Shares to Overseas Shareholders. If based on legal opinions provided by the legal adviser of the Company, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place of registered address or the requirements of the relevant overseas regulatory body or stock exchange in that place, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. The basis for excluding the Excluded Shareholders, if any, from the Rights Issue will be set out in the Prospectus to be issued. The Company will send the Prospectus to the Excluded Shareholders for their information only and will not send any PAL and EAF to such Excluded Shareholders.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and in any

LETTER FROM THE BOARD

event before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The net proceeds of such sale, less expenses, will be paid pro rata to the Excluded Shareholders in Hong Kong dollars as soon as practicable except that the Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders. For the avoidance of doubt, the Excluded Shareholders (if any) will be entitled to vote at the EGM.

Closure of register of members

The register of members of the Company is expected to be closed from Friday, 28 November 2014 to Wednesday, 3 December 2014, both dates inclusive, to determine the entitlement to the Rights Issue. No transfer of Shares will be registered during this period.

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 43.75% to the theoretical closing price of HK\$0.16 per Consolidated Share (based on the closing price per Share as quoted on the Stock Exchange on the Latest Practicable Date and assuming that the Share Consolidation becomes effective);
- (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 assets value per Consolidated Share of approximately HK\$0.141 as at 31 March 2014 (based on the audited consolidated net asset 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 assets value per Consolidated Share is assumed as sixteen times of the audited consolidated net assets 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 will be arisen from debt financing. The Directors (including independent non-executive Directors whose opinion on the matter has been set forth in this circular after taken into account the advice from the Independent Financial Adviser in this regard) 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 allotments

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 existing 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.

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Application for excess Rights Shares

Qualifying Shareholders shall be entitled to apply for (i) the Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders. Application may be made by completing the EAF for excess Rights Shares and lodging the same with a separate remittance for the excess Rights Shares being applied for. 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 effort basis.

Shareholders with their 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, the Shareholders should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Investors with their Shares held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Investors whose Shares are held by their nominee(s) and who would like to have their names registered on the register of members of the Company must lodge all necessary documents with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for completion of the relevant registration by 4:30 p.m. (Hong Kong time) on Thursday, 27 November 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 about 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 Shares or the Rights Shares, and similarly, the Excluded Shareholders as regards their receipt of the net proceeds of the sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. 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 Shares or the Rights Shares.

Application for listing

The Company will apply 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.

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 relevant EGM 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, none of the above conditions have been satisfied. Conditions (i) and (ii) above are expected to have been fulfilled on the date of the EGM and conditions (iii) and (iv) above are expected to have been fulfilled on the Prospectus Posting Date.

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SHARE CONSOLIDATION

On 26 August 2014, the Board proposed to implement the Share Consolidation on the basis that every 16 issued and unissued Shares of HK\$0.001 each would be consolidated into one Consolidated Share of HK\$0.016 each, details of which can be referred to the announcements of the Company dated 26 August 2014, 11 September 2014, 19 September 2014 and the circular issued by the Company on 6 November 2014 regarding the Share Consolidation.

Effects of the Share Consolidation

As at the Latest Practicable Date, the authorised share capital of the Company amounted to HK\$80,000,000 divided into 80,000,000,000 Shares, of which 16,976,600,000 Shares had been allotted and issued as fully paid or credited as fully paid. Upon the Share Consolidation becoming effective and on the basis that no further Shares will be allotted and issued or repurchased prior thereto, the authorised share capital of the Company will become HK\$80,000,000 divided into 5,000,000,000 Consolidated Shares, of which 1,061,037,500 Consolidated Shares will be in issue, which are fully paid or credited as fully paid.

	As at the Latest Practicable Date	Immediately upon the Share Consolidation becoming effective
Nominal value of each Share/ Consolidated Share	HK\$0.001 per Share	HK\$0.016 per Consolidated Share
Number of authorised Shares/ Consolidated Shares	80,000,000,000 Shares	5,000,000,000 Consolidated Shares
Number of issued Shares/ Consolidated Shares	16,976,600,000 Shares	1,061,037,500 Consolidated Shares
Amount of authorised share capital	HK\$80,000,000	HK\$80,000,000
Amount of issued and fully paid-up share capital	HK\$16,976,600	HK\$16,976,600

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the articles of association of the Company.

Reasons for the Share Consolidation

Pursuant to Rule 17.76 of the GEM Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 (which was inadvertently stated as HK\$0.001 in the announcement of the Company dated 26 August 2014) or HK\$9,995, the Stock Exchange reserves the right to require the issuer either to change the trading method or

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to proceed with a consolidation or splitting of its securities. In view of the recent trading prices of the Shares, the Board proposes to effect the Share Consolidation in order to comply with the trading requirements of the GEM Listing Rules.

The Share Consolidation will increase the nominal value of the Shares. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs of dealings in the Consolidated Shares. As a result, the Share Consolidation would not only enable the Company to comply with the trading requirements under the GEM Listing Rules, but would also attract more investors and extend the base of the Shareholders.

Accordingly, the Directors consider that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

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

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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 (including the independent non-executive Directors whose opinion has been set out in this circular after considering the advice from the Independent Financial Adviser) are of the view that the rate of the underwriting commission is fair and reasonable.

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

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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
- (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.

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SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 16,976,600,000 Shares in issue and 1,064,400,000 outstanding Pre-IPO Share Options and 176,000,000 outstanding Share Options which in aggregate confer holders thereof the rights to subscribe for 1,240,400,000 Shares. Subject to the Share Consolidation becoming effective, the number of Pre-IPO Share Options and Share Options would be adjusted and in aggregate confer holders thereof the rights to subscribe for 77,525,000 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.

The table below depicts the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Share Consolidation; (iii) immediately upon completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; and (iv) 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)		(iv)	
	No. of Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %	No. of Consolidated Shares	Approximate %
Aperto (Note 1)	4,092,000,000	24.10	255,750,000	24.10	1,023,000,000	24.10	1,023,000,000	24.10
Mr. Chan Ka Kit (Note 2)	3,600,000	0.02	225,000	0.02	900,000	0.02	225,000	0.01
Underwriter (Note 3)	—	—	—	—	—	—	2,415,862,500	56.92
Other public Shareholders	12,881,000,000	75.88	805,062,500	75.88	3,220,250,000	75.88	805,062,500	18.97
Total	16,976,600,000	100.0	1,061,037,500	100.0	4,244,150,000	100.0	4,244,150,000	100.0

Notes:

- 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.*
- Mr. Chan Ka Kit is an independent non-executive Director.*
- 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

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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 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 cost 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 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%

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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 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 businesses 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

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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 2.0% 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 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

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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 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\$9.8 million of the IPO Net Proceeds. As at the Latest Practicable Date, approximately HK\$16.2 million of the IPO Net Proceeds remain unutilised. The adjusted allocation of the estimated use of the IPO Net Proceeds from the Listing to the Latest Practicable Date, 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 (HK\$ in million)	Estimated use of the IPO Net Proceeds from 30 September 2014 to 31 March 2015 (HK\$ in million)	Actual use of the IPO Net Proceeds from the Listing to the Latest Practicable Date (HK\$ in million)	Estimated use of the remaining IPO Net Proceeds (HK\$ in million)
Exploring merger and acquisition opportunities and business collaboration	5.3	—	—	5.3
Enhancing the quality and expanding the professional team	6.3	3.7	6.0	4.0
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	1.9	—	1.9	—
	<u>21.5</u>	<u>4.5</u>	<u>9.8</u>	<u>16.2</u>

LETTER FROM THE BOARD

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 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

LETTER FROM THE BOARD

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.

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.

LETTER FROM THE BOARD

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%

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 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.*

LETTER FROM THE BOARD

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

GEM LISTING RULES IMPLICATIONS

Pursuant to Rule 10.29 of the GEM Listing Rules, the Rights Issue is conditional on, among other things, the approval by the Independent Shareholders at the EGM at which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue and the transactions contemplated thereunder. As at the Latest Practicable Date, the Company does not have any controlling Shareholder. Therefore, Mr. Luk Kee Yan Kelvin and Mr. Yue Kwai Wa Ken (being the executive Directors) and their respective associates shall abstain from voting in favour of the resolution in relation to the Rights Issue and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, Mr. Luk Kee Yan Kelvin indirectly holds 4,092,000,000 Shares, representing approximately 24.1% of the issued share capital of the Company, through his beneficial interests in Aperto and Mr. Yue Kwai Wa Ken does not have any shareholding interest in the Company.

WARNING OF THE RISKS OF DEALING IN THE 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 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 Shares or the Rights Shares in their nil-paid form are advised to consult their own professional advisers.

EGM

A notice of the EGM to be held at 8:15 a.m. on 24 November 2014 at Unit 3806, 38th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong is set out on pages 75 to 77 of this circular for the purpose of considering and, if thought fit, approving the Rights Issue.

LETTER FROM THE BOARD

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 Shares to a third party, either generally or on a case-by-case basis.

A proxy form for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment of it, if you so wish.

Subject to the Rights Issue being approved at the EGM, the Prospectus or Prospectus Documents, where appropriate, containing further information on the Rights Issue will be despatched to the Shareholders as soon as practicable.

RECOMMENDATION

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chan, Ka Kit, Mr. Ko, Wai Lun Darren and Mr. Lou, Ming, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to make recommendations to the Independent Shareholders on how to vote at the EGM. Opus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

Your attention is drawn to the letter from the Independent Board Committee set out on page 30 of this circular which contains its recommendation to the Independent Shareholders in relation to the Rights Issue, and the letter from the Independent Financial Adviser set out on pages 31 to 56 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders.

The Directors believe that the terms of the Rights Issue are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole and recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

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

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the Rights Issue.



ROMA GROUP LIMITED

羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8072)

6 November 2014

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular of the Company dated 6 November 2014 (the “**Circular**”) of which this letter forms part. Unless the context specifies otherwise, capitalised terms used herein have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable insofar as the Independent Shareholders are concerned.

Opus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Having taken into account the terms of the Rights Issue and the advice from the Independent Financial Adviser, we are of the opinion that the Rights Issue is on normal commercial terms, in the interests of the Company and the Shareholders as a whole and the terms of which are fair and reasonable insofar as the Company and the Independent Shareholders are concerned. Accordingly, we recommend you to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Rights Issue.

Yours faithfully,

Independent Board Committee

Mr. Chan, Ka Kit

Mr. Ko, Wai Lun Warren

Mr. Lou, Ming

Independent non-executive Directors

* *For identification purpose only*

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Opus Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue for the purpose of inclusion in this Circular.



18TH Floor, Fung House
19–20 Connaught Road Central
Central, Hong Kong

6 November 2014

To: *The Independent Board Committee and the Independent Shareholders of Roma Group Limited*

Dear Sirs,

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

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular dated 6 November 2014 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in the Circular unless the context requires otherwise.

On 26 August 2014, the Company announced that it proposes to conduct the Share Consolidation of every sixteen issued and unissued Shares of HK\$0.001 each into one Consolidated Share of HK\$0.016 each. Furthermore, on 20 October 2014, the Company announced that it proposes to raise approximately HK\$286.5 million (before expenses) by way of the Rights Issue of 3,183,112,500 Rights Shares (assuming no issue of new Shares and the Rights Issue at a subscription price of HK\$0.09 per Rights Share on the basis of three Rights Shares for every one Consolidated Share on the Record Date).

The Rights Issue is fully underwritten by the Underwriter, on the terms and subject to the conditions set out in the Underwriting Agreement. We understand from the Company that the terms of the Underwriting Agreement are determined after arm’s length negotiations between the Company and the Underwriter. The Rights Issue is conditional upon, amongst other things, the passing of the resolution at the EGM to approve the Rights Issue and the Share Consolidation becoming effective.

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

Since the Rights Issue will increase the issued share capital of the Company by more than 50%, in accordance with Rule 10.29 of the GEM Listing Rules, the Rights Issue must be made conditional on, amongst other things, the approval by the Independent Shareholders at which any controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution relating to the Rights Issue and the transactions contemplated thereunder.

As at the Latest Practicable Date, the Company does not have any controlling Shareholder as defined under the GEM Listing Rules. Therefore, Mr. Luk Kee Yan Kelvin and Mr. Yue Kwai Wa Ken (being the executive Directors) and their respective associates shall abstain from voting in favour of the resolution in relation to the Rights Issue and the transactions contemplated thereunder at the EGM. As at the Latest Practicable Date, Mr. Luk Kee Yan Kelvin indirectly holds 4,092,000,000 Shares, representing approximately 24.1% of the issued share capital of the Company, through his beneficial interest in Aperto and Mr. Yue Kwai Wa Ken does not have any shareholding interest in the Company.

THE INDEPENDENT BOARD COMMITTEE

The Independence Board Committee, comprising Mr. Chan Ka Kit, Mr. Ko Wai Lun Warren and Mr. Lou Ming, all being the independent non-executive Directors has been established by the Company to advise and make recommendations to the Independent Shareholders in respect of the Rights Issue. Our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders has been approved by the Independent Board Committee in this respect.

Our role as the Independent Financial Adviser is to advise the Independent Board Committee and the Independent Shareholders as to: (i) whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole; and (ii) how the Independent Shareholders should vote on the relevant resolution in relation to the Rights Issue at the EGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with, or interest in, the Company or any other parties that could reasonably be regarded as relevant to our independence. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR OPINION AND RECOMMENDATION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company. We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Company, the Directors and the management of the Company, for which they are solely and wholly responsible, are true, accurate and complete in all respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information have been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, the Directors and the management of the Company, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have conducted any independent investigation into the business, financial conditions and affairs of the Group or its future prospect.

We have not considered the tax implications, if any, on the Qualifying Shareholders of their acceptances or non-acceptances of the Rights Issue since these are particular to their own individual circumstances. Qualifying Shareholders should consider their own tax position with regard to the Rights Issue and, if in any doubt, should consult their own professional advisers in due course.

The Directors have collectively and individually accepted full responsibility, including particulars given in compliance with the GEM Listing Rules, for the accuracy of the information contained in the Circular and have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other matters of facts the omission of which would make any statement herein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Rights Issue, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purpose without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Rights Issue and the Underwriting Agreement, we have taken into consideration the following principal factors and reasons:

Business overview of the Group

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.

Set out below are the audited consolidated financial results of the Group for the two financial years ended 31 March 2014 as extracted from the Company’s annual report for the financial year ended 31 March 2014 (the “**2013/14 Annual Report**”):

Table 1: Highlights of the financial results of the Group

	Year ended 31 March 2014 (HK\$million)	Year ended 31 March 2013 (HK\$million)	Year-on-year change (%)
Revenue	60.6	43.1	40.6
Profit attributable to the Shareholders	20.0	12.1	65.3

Source: 2013/14 Annual Report

Set out below are the Group’s revenue segment breakdown for the two financial years ended 31 March 2014 extracted from 2013/14 Annual Report:

Table 2: The breakdown of the revenue of the Group

	Year ended 31 March 2014 (HK\$million)	Percentage to the total revenue (%)
Service fee income from provision of valuation and advisory services	59.0	97.4
Interest income from provision of financing services	1.2	2.0
Others	0.4	0.6
Total	<u>60.6</u>	<u>100.0</u>

Source: 2013/14 Annual Report

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

During the financial year ended 31 March 2014, the Group achieved growth in both revenue and profit attributable to the Shareholders. We note that the revenue of the Group increased from approximately HK\$43.1 million in the year ended 31 March 2013 to approximately HK\$60.6 million in the year ended 31 March 2014, representing an increase of approximately 40.6%. Such an increase was mainly attributable to approximately 590 new projects in relation to valuation and technical advisory services undertaken by the Group during the year ended 31 March 2014, which contributed to approximately 97.4% of the Group's total revenue. The Group only commenced the provision of financing services during the year ended 31 March 2014. As the provision of financing services business was still at an early stage for the year ended 31 March 2014, revenue generated from this business only contributed to approximately 2% to the Group's total revenue for the same period.

The profit attributable to the Shareholders increased by approximately 65.3% from approximately HK\$12.1 million for the year ended 31 March 2013 to approximately HK\$20.0 million for the year ended 31 March 2014.

Furthermore, on 29 October 2014, the Company issued a positive profit alert announcement, highlighting, amongst others, that based on the draft unaudited consolidated management accounts of the Group, the Board expects that the Group may record an increase in the net profit for the six months ended 30 September 2014 as compared with that for the six months ended 30 September 2013. Such increase in the Group's net profit was mainly attributable to: (i) the increase in revenue generated from the Group's provision of valuation and advisory services of approximately HK\$10.1 million for the six months ended 30 September 2014 as compared to the corresponding period in 2013; and (ii) the interest income of approximately HK\$2.4 million generated from the Group's provision of financing services.

Set out below are highlights of the financial position of the Group as at 31 March 2013 and 2014, which is extracted from the 2013/14 Annual Report:

Table 3: Highlights of the financial position of the Group

	Year ended 31 March 2014 (HK\$million)	Year ended 31 March 2013 (HK\$million)	Year-on-year change (%)
Cash and cash equivalent	23.8	38.0	(37.4)
Pledged bank deposits	39.8	—	n/a
Current assets	105.8	59.8	76.9
Bank borrowings	31.1	—	n/a
Finance lease liabilities	1.5	—	n/a
Current liabilities	41.4	11.3	266.4
Net assets	70.9	49.3	43.8

Source: 2013/14 Annual Report

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

While the net assets of the Group increased by approximately 43.8% from approximately HK\$49.3 million as at 31 March 2013 to approximately HK\$70.9 million as at 31 March 2014, the Group's current ratio decreased from approximately 5.3 as at 31 March 2013 to approximately 2.6 as at 31 March 2014. Such decrease was mainly due to the increase in bank borrowings of the Group from zero as at 31 March 2013 to approximately HK\$31.1 million as at 31 March 2014. The Group's gearing ratio (defined as total borrowings divided by total equity) was approximately 46% as at 31 March 2014. The Group's pledged bank deposits of approximately HK\$39.8 million as at 31 March 2014 represented cash at bank held by the Group and pledged for bank borrowings. The available cash and cash equivalent of the Group as at 31 March 2014 was approximately HK\$23.8 million which was a decrease of approximately 37.4% from HK\$38.0 million as at 31 March 2013.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

As highlighted in the Letter from the Board, 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.

As highlighted in the Letter from the Board under the sub-section headed "*Development of existing and future business of the Group*", the Group intends to expand its existing valuation and technical advisory services through acquisition, 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 capacity of the Group, expand scope of services to be provided and increase the market share of the Group in a more efficient way. 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 and the capital required for acquisition of peer companies could possibly range from HK\$80 million to HK\$130 million.

Furthermore, under the sub-section headed "*Updates on the use of proceeds from the Listing*" in the Letter from the Board, 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 opportunities of existing and future businesses of the Group.

In addition, under the sub-section headed "*Development of financing businesses of the Group*" in the Letter from the Board, the Directors are of the view that the development and growth of the financing 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.

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

The gross proceeds and the estimated net proceeds (after deducting all necessary expenses) of the Rights Issue will be approximately HK\$286.5 million and HK\$280.2 million, respectively. The following table highlights the breakdown of the intended use of the net proceeds from the Rights Issue by the Company:

Table 4: Breakdown of the intended use of the net proceeds from the Rights Issue

Purpose of Use	<i>(HK\$million)</i>	<i>(%)</i>
Funding and further development of existing and future businesses of the Group	131.9	47.1
Provision of financing services of the Group	126.3	45.1
Working capital of the Group	<u>22.0</u>	<u>7.8</u>
Total:	<u><u>280.2</u></u>	<u><u>100.0</u></u>

As highlighted in the table above, the net proceeds from the Rights Issue is sufficient to achieve both financial objectives of the Directors for the business development of the Group, namely:

- (i) to build up its war chest for potential sizeable merger and acquisition opportunities of existing and future businesses of the Group which, in the view of the Directors could possibly range from HK\$80 million to HK\$130 million; and
- (ii) to have sufficient capital 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.

Therefore, we consider that the proceeds from the Rights Issue will enhance the financial position and the liquidity of the Group and is sufficient to achieve the financial objectives of the Directors for the business development of the Group.

Market outlook of the existing and future business of the Group

For the purpose of only assessing the market outlook of the existing and future business of the Group, we set out the following information in this subsection below.

Set out in the table below are some general economic indicators of Hong Kong as provided by the Hong Kong Trade Development Council.

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

Table 5: General economic Indicators of Hong Kong

	2012	2013	2014 (Forecast)
GDP (<i>US\$</i> billion)	261	273	283.4–286.1
GDP per Capita (<i>US\$</i>)	36,500	37,900	39,200–39,500
Real GDP Growth (%)	1.5	2.9	2 to 3

Source: Hong Kong Trade Development Council

According to the Hong Kong Trade Development Council, in the first half of 2014, Hong Kong's economy grew by approximately 2.2% year-on-year (real GDP growth), after growing by approximately 2.9% in 2013. The Hong Kong Government forecasts that real GDP growth for 2014 will be approximately 2% to 3%.

Set out in the tables below are highlights of some key statistics of the Stock Exchange.

Table 6: Highlights of key statistics of listed companies on the Stock Exchange

	As at 31 December 2012	As at 31 December 2013	As at 30 September 2014
Total number of listed companies	1,547	1,643	1,721
Total market capitalisation (<i>HK\$</i> billion)	21,950.1	24,042.8	24,428.3

Source: Stock Exchange

Table 7: Highlights of key statistics of initial public offering and fund raisings on the Stock Exchange

	2012	2013	For the first nine months of 2014	For the first nine months of 2013
Total number of newly listed companies	64	110	89	45
Total equity funds raised in initial public offers (<i>HK\$</i> billion)	90.0	169.0	131.3	59.9
Total equity funds raised (<i>HK\$</i> billion)	305.4	378.9	610.0	191.0

Source: Stock Exchange

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As shown in the tables above, the number of listed companies in Hong Kong increased from 1,547 as at 31 December 2012 to 1,721 as at 30 September 2014, representing a compound annual growth rate (“CAGR”) of approximately of 6.3%. The total market capitalisation has also increased from approximately HK\$21,950.1 billion as at 31 December 2012 to approximately HK\$24,428.3 billion as at 30 September 2014, representing a CAGR of approximately 6.3%. In addition, the number of newly listed companies has also increased from 64 in 2012 to 110 in 2013. For the first nine months of 2014, there were a total of 89 newly listed companies compared to 45 for the same period in 2013. Total fundraisings have also increased from 2012 to 2013 and also for the first nine months of 2014 as compared to the corresponding period in 2013.

Set out in the tables below are highlights of some statistics of mergers and acquisitions transactions in China and Hong Kong (“M&A Transactions”).

Table 8: M&A Transactions (2013 vs 2012)

Sector	2013		2012		Change (%)	
	Value (US\$billion)	Deal Count	Value (US\$billion)	Deal Count	Value	Deal Count
Energy, Mining & Utilities	41.8	105	19.9	123	110.1	(14.6)
Others	<u>143.9</u>	<u>957</u>	<u>132.5</u>	<u>706</u>	8.6	35.6
Total	<u><u>185.7</u></u>	<u><u>1,062</u></u>	<u><u>152.4</u></u>	<u><u>829</u></u>	21.9	28.1

Source: China & Hong Kong M&A Trend Report 2013 by Mergermarket

Table 9: M&A Transactions (1H 2014 vs 1H 2013)

Sector	1H2014		1H2013		Change (%)	
	Value (US\$billion)	Deal Count	Value (US\$billion)	Deal Count	Value	Deal Count
Energy, Mining & Utilities	14.6	62	26.3	46	(44.5)	34.8
Others	<u>139.4</u>	<u>582</u>	<u>57.1</u>	<u>422</u>	144.1	37.9
Total	<u><u>154.0</u></u>	<u><u>644</u></u>	<u><u>83.4</u></u>	<u><u>468</u></u>	84.7	37.6

Source: China & Hong Kong M&A Trend Report: 1H2014 by Mergermarket

As disclosed in the Company’s prospectus, the Group is principally engaged in the provision of valuation and technical advisory services in Hong Kong, namely: (1) natural resources valuation and technical advisory services; and (2) various specialized valuation and consultancy services in relation to business and intangible assets valuation, financial instruments valuation, real estate valuation, works of art valuation, industrial valuation, purchase price allocation and corporate advisory. To be consistent with the classification

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categories in the Company's prospectus and for illustrative purposes, we have set out the above M&A Transactions data into two categories, being (i) energy, mining and utilities; and (ii) others. As shown in the tables above, both the total number and value of M&A Transactions have increased by approximately 28.1% and approximately 21.9% respectively from 2012 to 2013. Although the number of transactions under the "Energy, Mining and Utilities" category has decreased by approximately 14.6% from 2012 to 2013, the value of these transactions have increased significantly by approximately 110.1%. For the 1H2014, the total number and value of M&A Transactions increased by approximately 37.6% and approximately 84.7% respectively as compared to the corresponding period in 2013. Although the value of M&A Transactions under "Energy, Mining and Utilities" decreased by approximately 44.5% in 1H2014, the number of M&A Transactions under this category nevertheless increased by approximately 34.8%.

Under the Rules Governing the Listing of Securities on both the main board of the Stock Exchange and GEM, there are certain situations which require companies going for initial public offerings and/or mergers and acquisitions in Hong Kong to prepare independent valuations and technical reports. As the existing and future business of the Group is the provision of valuation and technical advisory services, we are of the view that an increase in both initial public offerings in Hong Kong and M&A Transactions will lead to an increase in opportunities for the Group to expand its existing and future businesses.

In light of the above, we are of the view that the current favourable economic environment in Hong Kong, coupled with the promising outlook and growth in the initial public offerings in Hong Kong as well as the M&A Transactions are positive and supportive of the potential growth in the existing and future businesses of the Group.

Market outlook of the financing businesses of the Group

For the purpose of only assessing the market outlook of the existing and financing business of the Group, we set out the following information in this subsection below.

The table below highlights statistics on total loans and advances recorded in Hong Kong from 2009 to 2014.

Table 10: Total loans and advances in Hong Kong held by authorized institutions

Year	Total loans & advances held by authorized institutions (HK\$billion)
2009	38,612
2010	45,692
2011	57,684
2012	63,919
2013	73,060
2013 (first eight months)	47,337
2014 (first eight months)	55,607
 CAGR (2009–2013)	 17.3%

Source: Hong Kong Monetary Authority

According to market data and statistics issued by the Hong Kong Monetary Authority, total loans and advances recorded in Hong Kong by the Hong Kong Monetary Authority increased from approximately HK\$38,612 billion in 2009 to approximately HK\$73,060 billion in 2013, representing a CAGR growth of approximately 17.3%. In addition, total loans and advances reached approximately HK\$55,607 billion for the first eight months of 2014 compared to approximately HK\$47,337 billion for the same period in 2013, representing a growth of approximately 17.5%.

Furthermore, the table below highlights statistics on average total receivables of credit card companies in Hong Kong.

Table 11: Average total receivables of credit card companies in Hong Kong

Year	Average total receivables of credit card companies in Hong Kong (HK\$billion)
2009	288.29
2010	305.57
2011	355.29
2012	400.99
2013	432.56
2013 (first six months)	212.44
2014 (first six months)	225.33
 CAGR (2009–2013)	 10.7%

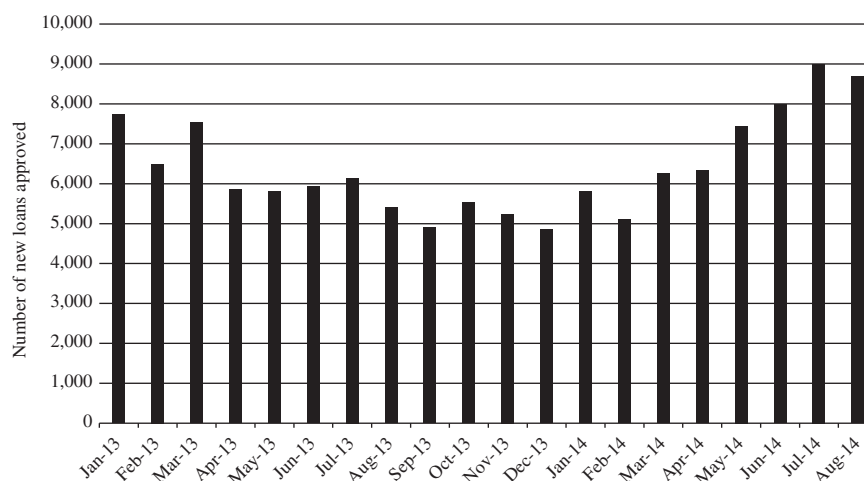
Source: Hong Kong Monetary Authority

As shown above, the average total receivables of credit card companies in Hong Kong increased from approximately HK\$288.29 billion in 2009 to approximately HK\$432.56 billion in 2013, representing a CAGR of approximately 10.7%. The average total receivables of credit card companies in Hong Kong reached approximately HK\$225.33 billion for the first six months of 2014 compared to approximately HK\$212.44 billion for the same period in 2013, representing a growth of approximately 6.1%. As total receivables of credit card companies is a form of personal unsecured loans, this implies that the level of personal unsecured loans in Hong Kong have also been increasing.

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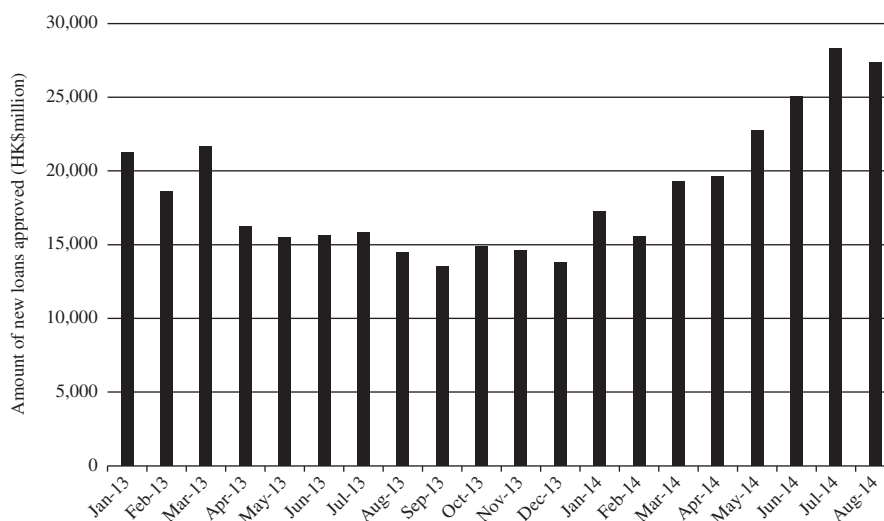
In addition, the charts below highlights statistics on new residential mortgage loans approved in Hong Kong:

Chart 1: Number of new residential mortgage loans approved in Hong Kong



Source: Hong Kong Monetary Authority

Chart 2: Total amount of new residential mortgage loans approved in Hong Kong



Source: Hong Kong Monetary Authority

As shown above, while both the total number and total amount of new residential mortgage loans approved in Hong Kong recorded a downward trend in 2013 due to the general downturn in both the Hong Kong and global economy, it recorded steady recovery and growth in the first eight months of 2014 in both the total number and total amount of new residential mortgage loans approved in Hong Kong. As residential mortgage loans is a form of secured loans, this implies that the level of secured loans in Hong Kong have also been increasing.

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Therefore, both the increase in: (i) average total receivables of credit card companies in Hong Kong (unsecured personal loans); and (ii) the total amount of new residential mortgage loans approved in Hong Kong (secured loans), indicate a growth in the loan market in Hong Kong. As the financing business of the Group is the operation of a money lending business in Hong Kong, we are of the view that a growth in the loan market in Hong Kong will lead to an increase in opportunities for the Group to expand its financing business.

In light of the above, we are of the view that the promising outlook and growth in the mortgage and loan market in Hong Kong is positive and supportive of the potential growth in the financing businesses of the Group.

Other financing alternatives available to the Group

As highlighted in the Letter from the Board, when formulating the structure of the Rights Issue, the Directors have considered various 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 interest 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 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.

As at the Last Trading Date, the market capitalisation of the Company was approximately HK\$220.7 million. In general, for companies of this relative size, fund raisings under rights issues or open offers are generally relatively larger in scale as compared to placements of new shares, due to potential dilution effect on existing shareholders. As stated in the Letter from the Board, the Company raised approximately HK\$14 million (net proceeds) through a placement of new Shares announced on 15 August 2014 as compared to the intended fund raising under the Rights Issue of approximately HK\$280.2 million (net proceeds). Moreover, rights issues or open offers are both pre-emptive in nature, allowing the Qualifying Shareholders to maintain their respective pro-rata shareholdings through their participation. In comparison between a rights issue and an open offer, a rights issue allows the Qualifying Shareholders who participate to: (i) increase their shareholding interests in the Company by: (a) acquiring additional rights entitlements in the open market (subject to availability); and/or (b) applying through excess applications for the rights shares; or otherwise (ii) reduce its shareholding interests in the Company by disposing their rights entitlements in the open market (subject to availability). As an open offer does not allow the trading of rights entitlements, the Board is of the view that a rights issue is more preferable than an open offer, not to mention that a rights issue will also allow the Company to: (i) strengthen its capital base and liquidity without incurring interest costs; and (ii) increase the working capital and thereby improving the financial position of the Group.

The Rights Issue will be fully underwritten by the Underwriter on the terms and subject to the conditions set out in the Underwriting Agreement. We consider that entering into the Underwriting Agreement will ensure the Group to raise the required funding under the Rights

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Issue when the Rights Issue is undersubscribed and remove a certain degree of uncertainty as compared to best-efforts placements which is in the interest of the Company and the Independent Shareholders as a whole.

We have also enquired into and were informed by the Directors that in considering debt financing alternatives, they are of the view that bank borrowings will incur interest burden and repayment obligations of the Group and potentially may be subject to lengthy due diligence and negotiations as well as the pledge of assets by the Group. In addition, as the gearing ratio of the Group as at 31 March 2014 was approximately 46%, the Directors did not want to consider debt financing as they did not want to increase the gearing ratio further.

Having taken into account the capital need of the Group, the possible benefits of the Rights Issue and the availability of and comparison with other financing alternatives, we concur with the Directors that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

PRINCIPAL TERMS OF THE RIGHTS ISSUE

The Company proposes to raise approximately HK\$286.5 million before expenses by issuing 3,183,112,500 Rights Shares at a 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 following table summarizes the major terms of the Rights Issue:

Basis of the Rights Issue:	Three Rights Shares for every one Consolidated Share held on the Record Date
Number of Shares in issue as at the Latest Practicable Date:	16,976,600,000 Shares
Number of Consolidated Shares in issue assuming the Share Consolidation has become effective:	1,061,037,500 Consolidated Shares (assuming no further issue of new Shares or repurchase of Shares up to the effective date of the Share Consolidation)
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

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The Subscription Price represents:

- (i) discount of approximately 43.75% to the theoretical closing price of HK\$0.160 per Consolidated Share (based on the closing price per Share as quoted on the Stock Exchange on the Latest Practical Date and assuming that the Share Consolidation becomes effective);
- (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
- (vi) a discount of approximately 36.17% to the theoretical audited consolidated net assets value per Consolidated Share of approximately HK\$0.141 as at 31 March 2014 (based on the audited consolidated net asset 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 assets value per Consolidated Share is assumed as sixteen times of the audited consolidated net assets value per Share (calculated based on the audited consolidated net assets of approximately HK\$70.9 million as at 31 March 2014 and 8,025,800,000 Shares outstanding as at that date).

As advised by the Directors, the determination of the Subscription Price was a commercial decision made by the Company and the Underwriter after arm's length negotiation, having considered, among other things, (i) the financial position of the Group; (ii) the market price of the Shares under the prevailing market conditions; (iii) the capital needs of the Group; and (iv) the trading volume of the Shares in the market. The Directors are of the view that the Rights Issue will allow the Group to strengthen its financial position without incurring any interest costs which will be arisen from debt financing.

ANALYSIS ON THE SUBSCRIPTION PRICE

For the purpose of assessing the fairness and reasonableness of the Subscription Price, we set out the following informative analysis for illustrative purpose:

Review on Share price performance

The following table illustrates the adjusted highest and lowest closing prices and the average adjusted closing price of the Shares as quoted on the Stock Exchange in each month during the period commencing from 1 October 2013 up to and including the Last Trading Day (the “**Review Period**”). The historical Share prices highlighted in this subsection have been adjusted to take into the potential share consolidation effect for analysis purposes only.

Table 12: Historical adjusted daily closing prices of the Shares

Month	Highest adjusted daily closing price (HK\$)	Lowest adjusted daily closing price (HK\$)	Average adjusted daily closing price (HK\$)	Number of trading days in each month
2013				
October	1.536	1.408	1.464	21
November	1.840	1.440	1.529	21
December	2.112	1.360	1.598	20
2014				
January	2.944	2.432	2.703	21
February	2.976	2.000	2.430	19
March	2.000	1.440	1.842	21
April	1.648	0.960	1.245	20
May	1.136	0.560	0.879	20
June	0.688	0.336	0.475	20
July	0.352	0.304	0.324	22
August	0.336	0.224	0.295	21
September	0.256	0.208	0.229	21
October (up to and including the Last Trading Day)	0.224	0.208	0.219	9

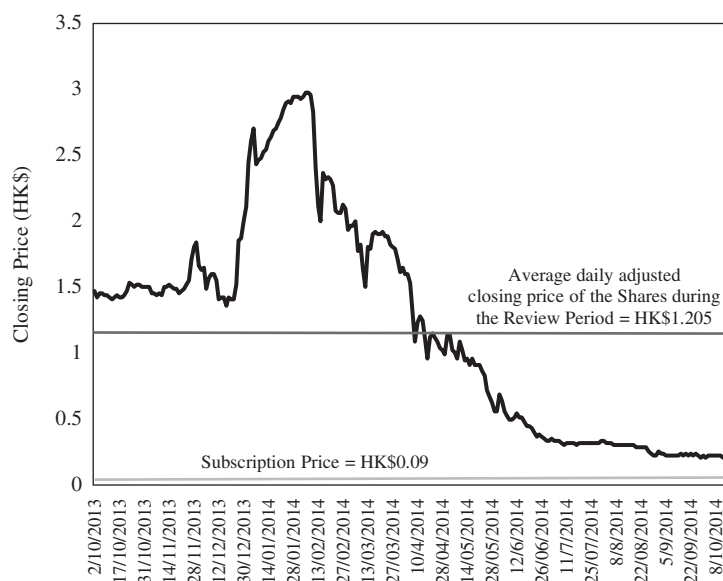
Source: Stock Exchange

Note: Trading in the Shares was halted on 16 Oct 2014 (with effect from 11:17 a.m.) and resumed on 21 Oct 2014 (with effect from 9:00 a.m.)

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During the Review Period, the daily adjusted closing prices of the Shares ranged from HK\$0.208 to HK\$2.976 per Share. The daily adjusted closing prices of the Shares fluctuated during the Review Period. In addition, the following chart highlights the movements of the daily adjusted closing price of the Shares as quoted on the Stock Exchange during the Review Period.

Chart 3: Historical daily adjusted closing price of the Company (1 Oct 2013 to 15 Oct 2014)



Source: Stock Exchange

We note that after the announcement by the Company of the shares subdivision on 29 January 2014, the daily adjusted closing price of the Shares in the Review Period demonstrated an overall declining trend as shown in the chart above.

We note that the Subscription Price of HK\$0.09 falls below the daily adjusted closing prices of the Shares throughout the Review Period and represents: (i) a discount of approximately 96.98% from the highest adjusted closing price; (ii) a discount approximately 56.73% from the lowest closing price; and (iii) a discount of approximately 92.53% from the average daily adjusted closing price of the Shares during the Review Period.

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Review on trading liquidity of the Shares

The average daily number of Shares traded per month, and the respective percentages of the Shares' monthly trading volume as compared to the then total number of Shares in issue, during the Review Period are tabulated as follows:

Table 13: Historical trading volume of the Shares

Month	Number of trading days in each month	Average daily trading volume (the "Average Volume")	Average Volume as a percentage of the then total number of Shares in issue
2013			
October	21	1,625,714	0.20%
November	21	1,790,476	0.22%
December	20	2,555,450	0.32%
2014			
January	21	12,602,062	1.58%
February	19	13,662,850	1.71%
March	21	124,365,238	1.55%
April	20	159,737,000	1.99%
May	20	604,557,500	3.77%
June	20	347,057,000	2.16%
July	22	255,567,727	1.59%
August	21	209,233,333	1.30%
September	21	235,900,442	1.39%
October (up to and including the Last Trading Day)	9	97,657,778	0.58%

Source: Stock Exchange

The above table illustrates that the Average Volume in each month from October 2013 up to and including the Last Trading Day ranged from approximately 0.2% to approximately 2.32% of the then total number of Shares in issue. We consider that such trading volume during the Review Period is thin.

Comparison with the Rights Issue Comparables

In order to reflect the general trend of rights issue transactions in the recent market, we have, on a best effort basis, conducted a search of all recent rights issues announced from 1 July 2014 up to the Last Trading Day (the “Comparison Period”). We are of the opinion that due to the volatility of the share prices of the companies listed on the Stock Exchange, the Comparison Period reflects a fair and recent period of comparison for the Rights Issue. During the Comparison Period and based on our research conducted, we identified a total of 23 rights issue announced. In addition, to make the comparison more appropriate and relevant to the Rights Issue, we have also excluded those companies whose market capitalisation is more than HK\$300 million. Subsequent to this refinement in our search, we have identified a total of 9 rights issue announced during the Review Period (the “Rights Issue Comparables”). To the best of our knowledge effort and endeavor and based on our search conducted, the list of the Rights Issue Comparables is an exhaustive list of comparable rights issues for comparison purpose. We consider that the Rights Issue Comparables provide a general reference in respect of the common market practice on rights issues conducted by listed companies in Hong Kong of a similar sized market capitalisation. Details of which are set out below:

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Table 14: Comparables analysis of the Rights Issue Comparables

<u>Company name</u>	<u>Stock code</u>	<u>Date of announcement (note 1)</u>	<u>Discount of the subscription price to the closing price per share on the last trading days prior to/on the date of the announcements in relation to the respective rights issue</u>	<u>Discount of the subscription price to the theoretical ex-rights price per share based on the closing price per share on the last trading days prior to/on the date of the announcements in relation to the respective rights issue</u>	<u>Underwriting commission</u>	<u>Maximum dilution to the then existing public shareholders</u>	<u>Basis of entitlement</u>
			(%)	(%)	(%)	percentage point	(# rights to % existing shares)
Unlimited Creativity Holdings Limited	8079	10 Oct 2014	(51.52)	(23.08)	2.50	35.66	5 to 2
Easyknit Enterprises Holdings Limited	616	5 Sep 2014	(80.80)	(32.00)	1.00	52.48	8 to 1
Venturepharm Laboratories Limited	8225	25 Aug 2014	(71.42)	(50.00)	0.00	31.40	3 to 2
Rui Kang Pharmaceutical Group Investments Limited	8037	20 Aug 2014	(19.60)	(13.98)	2.50	33.33	1 to 2
China Yunnan Tin Minerals Group Company Limited	263	18 Aug 2014	(65.22)	(14.57)	3.00	90.00	9 to 1
China New Economy Fund Limited	80	12 Aug 2014	(36.36)	(27.59)	2.50	33.33	1 to 2
South East Group Limited	726	11 Aug 2014	(71.43)	(21.88)	2.50	66.41	8 to 1
Opes Asia Development Limited	810	11 Jul 2014	(67.21)	(29.10)	2.50	69.13	4 to 1
Sau San Tong Holdings Limited	8200	10 Jul 2014	(77.27)	(45.95)	2.50	56.79	3 to 1
eForce Holdings Limited	943	22 May 2014	(80.39)	(19.43)	3.00	83.32	16 to 1
Minimum			(19.60)	(13.98)	0.00	31.40	
Maximum			(80.80)	(50.00)	3.00	90.00	
Average			(62.12)	(27.76)	2.20	55.18	
The Company (note 2)	8072	20 Oct 2014	(56.73)	(25.00)	2.25	56.92	3 to 1

Source: Stock Exchange

Notes:

1. Based on the shareholding on the date of the announcements in relation to the respective rights issue and assuming there was no new share being issued and no share being repurchased by the listed companies on or before the respective record dates.
2. The values of the discount of the subscription price to the theoretical closing price on the last trading day and the theoretical ex-rights price per share for the Company are based on the Consolidated Shares basis as shown in the sub-section headed "Principal Terms of the Rights Issue" of this letter.

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As shown in the above table, the subscription prices of the Rights Issue Comparables represented discounts ranging from approximately 19.6% to 80.8% with an average of approximately 60.09% to the respective closing prices of their shares on the last trading days prior to/on the date of the release of the respective rights issue announcements. The discount of approximately 56.7% to the theoretical closing price of the Consolidated Shares on the Last Trading Day as represented by the Subscription Price hence falls within the range and below the average.

Furthermore, the subscription prices of the Rights Issue Comparables represented discounts ranging from approximately 14.0% to 50.0% with an average of approximately 28.7% to the respective theoretical ex-rights prices of their shares on the last trading days prior to/on the date of the release of the respective rights issue announcements. The discount of approximately 25.0% to the theoretical ex-rights price as represented by the Subscription Price hence also falls within the range and below the average.

Based on the above and having considered in particular that:

- (i) the Company has various funding needs for its business development as discussed in the sub-section in this letter headed “*Reasons for the Rights Issue and the use of proceeds*”;
- (ii) the Subscription Price was arrived at after arm’s length negotiations between the Company and the Underwriter;
- (iii) it is a common market practice that the subscription prices of a rights issue is normally set at a discount to the prevailing market prices of the relevant shares in order to enhance the attractiveness of a rights issue and to encourage the existing shareholders to participate in the rights issue;
- (iv) the discounts represented by the Subscription Price to the closing price of the Shares on the Last Trading Day and the theoretical ex-rights price falls within the corresponding discounts range of the Rights Issue Comparables;
- (v) the recent downward trend of the closing prices of the Shares with the relatively low trading volume of the Shares;
- (vi) after considering the benefits and drawbacks of other fund raising alternatives, the Rights Issue seems to be an appropriate means for the Company to raise funds, in particular as the Rights Issue offers all the Qualifying Shareholders an equal opportunity to subscribe for their pro-rata provisional entitlement of the Rights Shares and hence avoids dilution, and participate as fully as they wish in the future development of the Company by way of applying for excess Rights Shares; and

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- (vii) the entering into the Underwriting Agreement will ensure the Group to raise the required funding under the Rights Issue when the Rights Issue is undersubscribed;

we are of the view that the Subscription Price is fair and reasonable so far as the Independent Shareholders are concerned.

Underwriting commission

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to underwrite the Rights Shares not subscribed for by the Qualifying Shareholders on a fully underwritten basis, subject to the terms and conditions of the Underwriting Agreement with an underwriting commission of 2.25% of the aggregate Subscription Price in respect of the number of Underwritten Shares (the “**Underwriting Commission**”). As confirmed by the Directors, the Underwriting Commission was determined after arm’s length negotiations between the Company and the Underwriter with reference to, among other things, the scale of the Rights Issue and the market rate. As stated in the Letter from the Board, the Directors are of the view that the rate of the Underwriting Commission is fair and reasonable.

Based on the table under the sub-section in this letter headed “*Comparison with the Rights Issue Comparables*”, we noted that the Underwriting Commission is in line with common market practice and falls within the range of underwriting commissions of 0% to 3% and is only slightly higher than the average of 2.20% received by the underwriters in the Rights Issue Comparables. In view of the above, we consider that the Underwriting Commission is on normal commercial terms and is fair and reasonable.

APPLICATION FOR EXCESS RIGHTS SHARES

As stated in the Letter from the Board, Qualifying Shareholders shall be entitled to apply for: (i) the Rights Shares representing the entitlement of the Excluded Shareholders and which cannot be sold at a net premium; and (ii) 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 on the principles as stated under the sub-section headed “*Application for excess Rights Shares*” in the Letter from the Board.

Taking into account the above principal terms of the Rights Issue and the Underwriting Agreement, we consider that the terms of the Rights Issue and the Underwriting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

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POSSIBLE DILUTION EFFECT OF THE RIGHTS ISSUE

The table below depicts the shareholding structure of the Company: (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Share Consolidation; (iii) immediately upon completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; and (iv) 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:

	As at the Latest Practicable Date		Immediately upon completion of the Share Consolidation		Immediately upon completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Aperto	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Aperto (Note 1)	4,092,000,000	24.10	255,750,000	24.10	1,023,000,000	24.10	1,023,000,000	24.10
Chan Ka Kit (Note 2)	3,600,000	0.02	225,000	0.02	900,000	0.02	225,000	0.01
Underwriter (Note 3)	—	—	—	—	—	—	2,415,862,500	56.92
Public	<u>12,881,000,000</u>	<u>75.88</u>	<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>16,976,600,000</u>	<u>100.00</u>	<u>1,061,037,500</u>	<u>100.00</u>	<u>4,244,150,000</u>	<u>100.00</u>	<u>4,244,150,000</u>	<u>100.00</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 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.

LETTER OF ADVICE FROM THE INDEPENDENT FINANCIAL ADVISER

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.

The Rights Issue offers all the Qualifying Shareholders an equal opportunity to participate in the enlargement of the capital base of the Company and enables the Qualifying Shareholders to maintain their proportionate interests in the Company and to participate in the future business development of the Company should they wish to do so. For those Qualifying Shareholders who take up their entitlements in full under the Rights Issue, their shareholding interests in the Company will remain unchanged after the Rights Issue.

For Qualifying Shareholders who do not take up in full their assured entitlements under the Rights Issue should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. As shown in the table above, assuming that only Aperto has subscribed the Rights Shares, the percentage of shareholding of other public Shareholders will be reduced from approximately 75.88% as at the Latest Practicable Date to approximately 18.97%.

Notwithstanding the potential dilution to the Independent Shareholders' proportional shareholding interests in the Company as discussed above, having taking into account that:

- (a) the Independent Shareholders are given the opportunity to express their view on the terms of the Rights Issue and the Underwriting Agreement through their votes at the EGM;
- (b) the Qualifying Shareholders have their choice of whether to accept the Rights Issue or not;
- (c) the Qualifying Shareholders have the opportunity to sell their nil-paid rights to subscribe for the Rights Shares in the market for economic benefits;
- (d) the Rights Issue offers the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical and prevailing market prices of the Shares; and
- (e) those Qualifying Shareholders who choose to accept the Rights Issue in full can maintain their respective existing shareholding interests in the Company after the Rights Issue,

we are of the view that the potential dilution effect on the existing shareholding interest of the Independent Shareholders, which may only result when the Qualifying Shareholders do not subscribe for their pro-rata Rights Shares, is acceptable.

POSSIBLE FINANCIAL EFFECTS OF THE RIGHTS ISSUE

Effect on net tangible asset

An unaudited pro forma statement of adjusted consolidated net tangible asset value (“NTAV”) of the Group attributable to the Shareholders of the Company as at 31 March 2014 as if the Rights Issue had taken place on 31 March 2014 is set out in Appendix II to the Circular (the “**Statement**”). Based on the Statement, the unaudited consolidated NTAV of the Group was approximately HK\$70.5 million as at 31 March 2014. Upon completion of the Rights Issue, the unaudited pro forma adjusted consolidated NTAV of the Group would become approximately HK\$350.7 million and approximately HK\$0.08 per Share based on the Statement.

Effect on gearing

With reference to the 2013/14 Annual Report, the gearing level of the Group (defined as total borrowing divided by total equity) was approximately 46% as at 31 March 2014. As confirmed by the Directors, the total assets of the Group would be enlarged upon completion of the Rights Issue but the total borrowings of the Group are not expected to change due to the Rights Issue. Consequently, the gearing level of the Group would be lowered.

Effect on working capital and liquidity

The net proceeds from the Rights Issue (assuming no new Share issue or repurchased on or before the Record Date) is estimated to be approximately HK\$280.2 million and the working capital will be increased by HK\$22.0 million, which will improve the Group’s liquidity position.

RECOMMENDATION

Having taken into consideration the factors and reasons as stated above, we are of the opinion that: (i) the terms of the Rights Issue and the Underwriting Agreement are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) the Rights Issue is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend: (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favour of the resolution to be proposed at the EGM to approve the Rights Issue and the transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Opus Capital Limited
Alvin Lai
Chief Executive Officer

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 three months ended 30 June 2014 can be referred to the first quarterly report of the Company for the three months ended 30 June 2014 (pages 2 to 7).

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 30 September 2014, being the Latest Practicable Date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this circular, the Group had bank borrowings of approximately HK\$31 million and finance lease liabilities of approximately HK\$3.7 million.

Securities

As at 30 September 2014, a bank borrowing of HK\$30 million was secured by bank deposits of approximately HK\$51.1 million and another bank borrowing of approximately HK\$1.0 million was guaranteed by the executive Directors.

As at 30 September 2014, finance lease liabilities were secured by the Group's motor vehicles with net book value of approximately HK\$4.1 million.

Contingent Liabilities

As at 30 September 2014, bank loan facilities of approximately HK\$31.1 million were utilised to the extent of approximately HK\$31.0 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 30 September 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 30 September 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 circular, 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.

APPENDIX II	UNAUDITED PRO FORMA FINANCIAL INFORMATION
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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 31 March 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 audited net assets of the Group attributable to owners of the Company as at 31 March 2014, as extracted from the published annual report of the Company for the year ended 31 March 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

Audited consolidated net assets of the Group attributable to owners of the Company as at 31 March 2014	Adjustments for intangible assets	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 March 2014	Audited consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 31 March 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 31 March 2014	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company per Consolidated Share as at 31 March 2014
<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$</i>
<i>Note 2</i>	<i>Note 3</i>		<i>Note 4</i>	<i>Note 6</i>		<i>Note 7</i>
Issue of Rights Shares based on 3,183,112,500						
Rights Shares at the subscription price of HK\$0.09 per Rights Share (<i>Note 1</i>)	70,903	(368)	70,535	0.07	280,188	350,723
						0.08

Notes:

1. The Rights Issue 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, subject to the Share Consolidation (as described in note 8) becoming effective. It is based on 1,061,037,500 Consolidated Shares in issue immediately before the proposed Rights Issue. In addition, the holders of share options have undertaken not to exercise their options held on or before the Record Date.
2. The audited consolidated net assets of the Group attributable to the owners of the Company as at 31 March 2014 is extracted from the published annual report of the Company for the year ended 31 March 2014.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

3. These represent the audited amounts of the Group's intangible assets, comprising accounting and valuation software of approximately HK\$368,000 which are attributable to the owners of the Company as at 31 March 2014. The amounts are extracted from the published annual report of the Company for the year ended 31 March 2014.
4. The calculation of consolidated net tangible assets of the Group attributable to the owners of the Company per share is based on 1,003,225,000 Consolidated Shares in issue as at 31 March 2014 as if the bonus issue on the basis of one bonus share issued for each share held were completed on 23 May 2014 and the Share Consolidation had become effective as at 31 March 2014.
5. On 1 September 2014, the Company placed and issued a total of 925,000,000 Shares for a total cash consideration, after expenses, of approximately HK\$14,000,000 (the "Placing"). The number of Shares after additional 925,000,000 Shares issued on 1 September 2014 pursuant to the Placing and the Share Consolidation, deemed to be effective by then, would be 1,061,037,500 Consolidated Shares.
6. 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.
7. 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 4,186,337,500 Consolidated Shares which comprise 1,003,225,000 Consolidated Shares in issue as at 31 March 2014 and 3,183,112,500 Rights Shares expected to be issued on the completion of the Rights Issue.
8. On 26 August 2014, the Board proposed to put forward a proposal for 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. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at an extraordinary general meeting. For details of the Share Consolidation, please refer to the Company's announcement dated 26 August 2014 and the circular issued by the Company on 6 November 2014.
9. No pro forma adjustment has been made to the net tangible assets of the Group in connection with the issuance of the 925,000,000 Shares pursuant to the Placing (equivalent to 57,812,500 Consolidated Shares should the Share Consolidation have become effective on the date of the Placing). Should the issuance of 925,000,000 Shares pursuant to the Placing be adjusted to the pro forma consolidated net tangible assets of the Group, the unaudited pro forma adjusted net tangible assets per Consolidated Share would have been approximately HK\$0.09.
10. No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 March 2014.

The following is the text of an accountant's report, prepared for the sole purpose of inclusion in this circular, 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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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 circular dated 6 November 2014 (the “Circular”).

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 Circular is solely to illustrate the impact of the Rights Issue (as defined in the Circular) 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, 6 November 2014

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>80,000,000,000</u>	Shares at nominal value of HK\$0.001 each	<u>80,000,000</u>
<i>Issued and fully-paid or credited as fully-paid:</i>		
<u>16,976,600,000</u>	Shares at nominal value of HK\$0.001 each	<u>16,976,600</u>

Immediately after completion of the Rights Issue and Share Consolidation

<i>Authorised:</i>		<i>HK\$</i>
<u>5,000,000,000</u>	Consolidated Shares at nominal value of HK\$0.016 each	<u>80,000,000</u>
<i>Issued and fully-paid or credited as fully-paid:</i>		
1,061,037,500	Consolidated Shares at nominal value of HK\$0.016 each	16,976,600
<u>3,183,112,500</u>	Rights Shares at nominal value of HK\$0.016 each to be issued	<u>50,929,800</u>
<u>4,244,150,000</u>	Consolidated Shares at nominal value of HK\$0.016 each	<u>67,906,400</u>

All the 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 1,064,400,000 outstanding Pre-IPO Share Options and 176,000,000 outstanding Share Options which in aggregate confer holders thereof the rights to subscribe for 1,240,400,000 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 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 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 3)	Aggregate interest	Approximate percentage of interest
Mr. Luk, Kee Yan Kelvin	The Company	Interest of a controlled corporation	4,092,000,000 Shares (Note 2)	—		
			—	112,000,000 Shares	4,204,000,000 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	—	160,000,000 Shares	160,000,000 Shares	0.94%
Mr. Chan, Ka Kit	The Company	Beneficial interest	3,600,000 Shares	8,400,000 Shares	12,000,000 Shares	0.07%
Mr. Ng, Simon (Note 1)	The Company	Beneficial interest	—	12,000,000 Shares	12,000,000 Shares	0.07%

Notes:

1. *Mr. Ng Simon resigned as an independent non-executive Director with effect from 8 August 2014. The options granted to Mr. Ng under the Pre-IPO Share Option Scheme will lapse on 7 November 2014 accordingly.*
2. *These 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 Shares held by Aperto.*
3. *These represent the 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 Shares and underlying 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 Shares or underlying 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 Shares, underlying Shares and debentures of the Company

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of interest
Aperto (<i>Note</i>)	Beneficial owner	4,092,000,000	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 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 Shares or underlying 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. EXPERTS

The following are the qualifications of the experts who have given opinion or advice which is contained in this circular:

Name	Qualifications
BDO Limited	Certified Public Accountants
Opus Capital Limited	a licensed corporation registered under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO

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

Each of the above experts 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, each of the above experts 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. 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.

7. 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 circular 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.

8. 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.

9. 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.

10. 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.

11. 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.

12. 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 No. 21, 3rd Floor Yik Yam Street Happy Valley Hong Kong
Compliance officer	Yue Kwai Wa, Ken 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

13. 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, Hong Kong
Legal advisers to the Company	<i>as to Hong Kong law</i> Michael Li & Co 19/F., Prosperity Tower No. 39 Queen's Road Central Central, Hong Kong

as to Cayman Islands law
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

14. 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 is an executive director of Legend Strategy International Holdings Group Company Limited whose shares are listed on the Stock Exchange (Stock Code: 1355). 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 (Stock Code: 61) whose shares are listed on the Stock Exchange from August 2010 to March 2011. Mr. Chan is the chief financial officer and company secretary of Lijun International Pharmaceutical (Holding) Company Limited (Stock Code: 2005) whose shares are listed on the Stock Exchange.

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 (Stock Code: 143) whose shares are listed on the Stock Exchange 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 (Stock Code: 8129) whose shares are listed on the Stock Exchange.

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.

15. MISCELLANEOUS

This circular and the accompanying proxy form have been prepared in both English and Chinese. In the case of any discrepancies, the English texts shall prevail over their respective Chinese texts.

16. 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 circular up to and including the date of the EGM:

- (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) first quarterly report of the Company for the three months ended 30 June 2014;
- (d) the letter from the Independent Board Committee, the text of which is set out on page 30 of this circular;
- (e) the letter of advice from the Independent Financial Adviser, the text of which is set out on pages 31 to 56 of this circular;
- (f) 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 circular;
- (g) the written consents referred to in the paragraph headed "Experts" in this appendix;
- (h) the material contracts referred to in the paragraph headed "Material contracts" in this appendix; and
- (i) this circular.

NOTICE OF EGM



ROMA ROMA GROUP LIMITED

羅馬集團有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8072)

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**EGM**”) of Roma Group Limited (the “**Company**”) will be held at 8:15 a.m. on Monday, 24 November 2014 at Unit 3806, 38th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong for the purpose of considering and, if thought fit, passing, with or without amendments, the following ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to (i) the fulfillment of the conditions as set out in the underwriting agreement (the “**Underwriting Agreement**”, a copy of which has been produced to the EGM marked “**A**” and signed by the chairman of the EGM for the purpose of identification) dated 20 October 2014 entered into among the Company, Emperor Securities Limited (the “**Underwriter**”) and Aperto Investments Limited, (ii) the Underwriting Agreement not being terminated in accordance with the terms thereof prior to 4:00 p.m. on the third business day after the last day of acceptance of the Rights Shares (as defined below) and (iii) the consolidation of every 16 issued and unissued shares of HK\$0.001 each in the capital of the Company into one share of HK\$0.016 each (a “**Consolidated Share**”) becoming effective,

- (i) the issue by way of rights issue (the “**Rights Issue**”) of 3,183,112,500 Consolidated Shares (the “**Rights Shares**”) at the subscription price of HK\$0.09 per Rights Share to the shareholders (the “**Qualifying Shareholders**”) of the Company whose names appear on the register of members of the Company on the date by reference to which entitlements to the Rights Issue are to be determined (the “**Record Date**”) (excluding those shareholders (the “**Excluded Shareholders**”) of the Company with registered addresses as shown in the register of members of the Company at the close of business on the Record Date in places outside Hong Kong in respect of whom the board (the “**Board**”) of directors (the “**Directors**”) of the Company consider it necessary or expedient not to offer the Rights Shares after making the relevant enquiries regarding the legal restrictions under the laws of the relevant places and the requirements of the relevant regulatory body or stock exchange in those places) on the basis of three Rights Shares for every one Consolidated Share then held by the Qualifying Shareholders on the Record Date is hereby approved, confirmed and ratified;
- (ii) any one Director be and is hereby authorised to allot and issue the Rights Shares pursuant to or in connection with the Rights Issue notwithstanding that (a) the same may be offered, allotted or issued otherwise than pro rata to the Qualifying Shareholders and, in particular, any Director be and is hereby authorised to make

* *For identification purpose only*

NOTICE OF EGM

such exclusions or other arrangements in relation to the Excluded Shareholders as he/she/it deems necessary or expedient having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Company and (b) the Rights Shares which would otherwise have been made available for application by the Qualifying Shareholders or the Excluded Shareholders (as the case may be) will be made available for subscription under forms of application for excess Rights Shares;

- (iii) the Underwriting Agreement and the transactions contemplated thereunder (including but not limited to the arrangements for taking up of the unsubscribed Rights Shares, if any, by the Underwriter) be and are hereby approved, confirmed and ratified; and
- (iv) any one Director be and is hereby authorised to sign and execute such documents, including under seal where applicable, and do all such acts and things incidental to the Rights Issue or as he considers necessary, desirable or expedient in connection with the implementation of or giving effect to the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder.”

By the order of the Board
Roma Group Limited
Yue Kwai Wa Ken
Executive Director and Company Secretary

Hong Kong, 6 November 2014

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

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her behalf. A proxy need not be a member of the Company but must be present in person at the EGM to represent the member. If more than one proxy is so appointed, the appointment shall specify the number of shares in respect of which each such proxy is so appointed.
2. A proxy form for use at the EGM is enclosed. Whether or not you intend to attend the EGM in person, you are encouraged to complete and return the enclosed proxy form in accordance with the instructions printed thereon.
3. In order to be valid, the proxy form, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

NOTICE OF EGM

4. Completion and return of a proxy form shall not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the proxy form appointing a proxy shall be deemed to be revoked.
5. In the case of joint registered holders of the shares of the Company (“**Shares**”), any one of such persons may vote at the EGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
6. Pursuant to the GEM Listing Rules, the voting on the ordinary resolution at the EGM will be conducted by way of poll.