

SUMMARY

This summary aims to give you an overview of the information contained in this prospectus. Since it is a summary, it does not contain all the information that may be important to you. You should read this prospectus in its entirety before you decide to invest in the Placing Shares. There are risks associated with any investment. Some of the particular risks in investing in the Placing Shares are set out in the section headed “Risk factors” in this prospectus. You should read that section carefully before you decide to invest in the Placing Shares.

OVERVIEW

The Group is principally engaged in the provision of valuation and technical advisory services in Hong Kong under the brand “Roma” with principal clients being Listed Companies. The Group provides a diverse spectrum of services to its clients, namely (1) natural resources valuation and technical advisory services; and (2) various specialised valuation and consultancy services in relation to business and intangible assets valuation, financial instruments valuation, real estate valuation, work of art valuation, industrial valuation, purchase price allocation and corporate advisory. The Group commenced its natural resources technical advisory services in May 2010. The Group aims to build brand recognition by providing professional and high quality service to its clients. During the Track Record Period, approximately 47.9% of the Group’s clients were Listed Companies and some of the clients had engaged the Group for more than one kind of services.

BUSINESS

The tables below set out the amount and percentage of the Group’s revenue and the number of projects undertaken by the Group for each type of services provided to Listed Companies and private entities during the Track Record Period.

	<u>Listed Companies</u>		<u>Private entities</u>		<u>Total</u>				
	<u>Number of projects</u>		<u>Number of projects</u>		<u>Number of projects</u>				
	<u>Revenue</u>		<u>Revenue</u>		<u>Revenue</u>				
	<u>HK\$’000</u>	<u>%</u>	<u>HK\$’000</u>	<u>%</u>	<u>HK\$’000</u>	<u>%</u>			
For the financial year ended 31 March 2011									
Natural resources valuation and technical advisory services	20,245	72.8	49	6,340	60.9	18	26,585	69.5	67
Business and intangible assets valuation	5,325	19.1	39	891	8.6	21	6,216	16.3	60
Financial instruments valuation	1,529	5.5	71	441	4.3	20	1,970	5.1	91
Real estate valuation	340	1.2	25	130	1.2	8	470	1.2	33
Work of art valuation	18	0.1	3	142	1.4	11	160	0.4	14
Industrial valuation	290	1.0	5	78	0.7	2	368	1.0	7
Purchase price allocation	52	0.2	2	105	1.0	3	157	0.4	5
Corporate advisory	36	0.1	1	2,284	21.9	6	2,320	6.1	7
	<u>27,835</u>	<u>100.0</u>	<u>195</u>	<u>10,411</u>	<u>100.0</u>	<u>89</u>	<u>38,246</u>	<u>100.0</u>	<u>284</u>

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	Listed Companies			Private entities			Total		
	Revenue		Number of projects	Revenue		Number of projects	Revenue		Number of projects
	HK\$'000	%		HK\$'000	%	HK\$'000	%		
For the financial year ended 31 March 2012									
Natural resources valuation and technical advisory services	12,827	66.7	56	8,746	83.8	32	21,573	72.7	88
Business and intangible assets valuation	3,370	17.5	52	873	8.4	23	4,243	14.3	75
Financial instruments valuation	1,376	7.2	72	293	2.8	31	1,669	5.6	103
Real estate valuation	750	3.9	31	246	2.4	18	996	3.4	49
Work of art valuation	—	—	—	172	1.6	15	172	0.6	15
Industrial valuation	598	3.1	12	77	0.7	4	675	2.3	16
Purchase price allocation	287	1.5	8	31	0.3	1	318	1.1	9
Corporate advisory	12	0.1	2	—	—	—	12	0.0	2
	<u>19,220</u>	<u>100.0</u>	<u>233</u>	<u>10,438</u>	<u>100.0</u>	<u>124</u>	<u>29,658</u>	<u>100.0</u>	<u>357</u>

(Note 1)

	Listed Companies			Private entities			Total		
	Revenue		Number of projects	Revenue		Number of projects	Revenue		Number of projects
	HK\$'000	%		HK\$'000	%	HK\$'000	%		
For the four months ended 31 July 2012									
Natural resources valuation and technical advisory services	8,582	70.3	48	1,337	60.0	27	9,919	68.7	75
Business and intangible assets valuation	1,787	14.6	37	213	9.6	16	2,000	13.8	53
Financial instruments valuation	816	6.7	44	38	1.7	12	854	5.9	56
Real estate valuation	419	3.4	23	344	15.4	30	763	5.3	53
Work of art valuation	—	—	—	111	5.0	11	111	0.8	11
Industrial valuation	140	1.1	7	86	3.9	2	226	1.6	9
Purchase price allocation	471	3.9	10	48	2.1	2	519	3.6	12
Corporate advisory	—	—	1	51	2.3	1	51	0.3	2
	<u>12,215</u>	<u>100.0</u>	<u>170</u>	<u>2,228</u>	<u>100.0</u>	<u>101</u>	<u>14,443</u>	<u>100.0</u>	<u>271</u>

(Note 2)

Notes:

1. Approximately 15.7% of the number of projects recognised revenue in both financial years ended 31 March 2011 and 2012.
2. Approximately 21.8% of the number of projects recognised revenue in both the financial year ended 31 March 2012 and the four months ended 31 July 2012.

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The professional team of the Group

The Group's management and professional team members are the most valuable asset of the Group. The team comprises staff with experience and knowledge in geology, mining and valuation, and qualifications of Registered Professional Surveyor (General Practice), Certified Public Accountant, etc. The Group's professional team members in the technical department possess the relevant working and professional experience in a wide range of natural resources commodities including, among others, coal, copper, gold, iron, molybdenum, nickel, phosphate, silver, uranium and zinc. As at the Latest Practicable Date, there were (i) one employee of the Group who had met the mandatory requirements of both Competent Person and Competent Evaluator for providing natural resources valuation and technical advisory services and acted as the Competent Person and the Competent Evaluator for one Competent Person's Report and one Natural Resources Valuation Report both relating to gold, iron and nickel-copper mines issued in April 2012; and (ii) one employee of the Group who had met the mandatory requirements of Competent Evaluator for providing natural resources valuation services and acted as the Competent Evaluator for one Natural Resources Valuation Report relating to gold mines issued in September 2012. There was also one employee of the Group who had met the mandatory requirements for providing real estate valuation services in Hong Kong as at the Latest Practicable Date. Details of qualifications and industry experiences of the professional team of the Group are set out in the paragraph headed "The professional team of the Group" in the section headed "Business" in this prospectus.

The independent professionals

During the Track Record Period, independent professionals had been engaged from time to time to work alongside the Group's professional team to provide joint supervision and to prepare the relevant reports in relation to, among others, natural resources valuation and technical advisory services and real estate valuation for the Group's clients. Terms and conditions of each engagement, including the amount of fee, was and will be negotiated and determined at arm's length between the Group and the independent professionals on a project-by-project basis. During the Track Record Period, all the independent professionals engaged by the Group were only remunerated at a fixed lump sum or fixed hourly rate agreed between the Group and the independent professional. Duration of the engagement of independent professionals, which varied from the nature of services provided, was agreed between the Group and the independent professional. Agreements signed between the Group and the independent professional geologists generally contain the clauses in relation to termination and confidentiality. In view of the role of the independent professionals and the nature of the services provided, none of the independent professionals was required to provide any non-competition undertaking in favour of the Group during their period of the engagement. As the Group continuously strives to provide high quality and professional services to its clients, it will continue to engage independent professionals on a project-by-project basis for its valuation and technical advisory services where appropriate. Notwithstanding the above, as at the Latest Practicable Date, the Group's professional team possessed the relevant experience, qualifications and knowledge, save for testing and certification of various minerals which are generally outsourced to external laboratories, to conduct all the valuation and technical advisory services completed by the Group during the Track Record Period. For every project when an independent professional is engaged by the Group to work alongside its professional team and being responsible for signing off the relevant reports, the Group will designate its professional staff to conduct necessary research and valuation, while the independent professional or teamhead with relevant experience and qualifications will supervise the work performed and review the draft valuation model

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and/or draft report prepared by the Group's professional team and also provide comments from a professional point of view. Another teamhead and/or professional staff with relevant experience and qualification not involving in the project will act as peer reviewer on a project-by-project basis to conduct peer review on the draft valuation model and/or draft report prepared by the Group's professional team. The peer reviewer will also review and discuss the works prepared by the independent professional to ensure that they fully comply with the relevant professional standards and/or guidelines, and/or the Group's best practice guidelines for natural resources related projects, and to reduce the Group's exposure to the risks of professional liability. For each project, all the relevant documentations are kept by the Group in accordance with its internal control procedure. For the two financial years ended 31 March 2011 and 2012, and the four months ended 31 July 2012, the Group engaged 7, 14 and 8 independent professionals involving in 116, 30 and 15 projects respectively, which contributed revenue of approximately HK\$27.7 million, HK\$9.4 million and HK\$2.2 million to the Group for the relevant year/period, and incurred total service fees of approximately HK\$1.2 million, HK\$2.6 million and HK\$0.8 million for such independent professionals respectively. Details of qualifications and industry experiences of the professional team of the Group are set out in the paragraph headed "Engagement of independent professionals" in the section headed "Business" in this prospectus.

Quality of service

In order to mitigate the risk arising from professional negligence, misconduct and fraudulent acts caused by the Group's employees and to ensure that all the Group's projects are performed with up-to-standard quality in accordance with the relevant standards and in order to limit its exposure to professional liability, the Group has adopted the relevant internal control measures including, *inter alia*, (i) assigning at least one person-in-charge for each project and ascertaining responsibilities of each team member; (ii) working records being properly prepared and filed under a standardised filing system to ensure all information necessary for conducting its works, including research, analysis, bases, assumptions and calculations being properly verified or justifiable with reasonable grounds; (iii) performing peer review by another teamhead and/or professional staff and/or independent professionals with relevant experience and/or qualification not involving in the project, depending on the complexity and nature of the relevant projects, on the working papers and reports for each project to ensure the quality of work and all projects being performed in accordance with the relevant standards; (iv) adopting standardised client information request list, report template for different valuation purposes or standards and valuation model template which control the process and in turn facilitate review of the whole process by the teamhead and the peer reviewer; (v) preparing project report sheet for each project by teamhead, which will be reviewed on a monthly basis and approved by an executive Director, for recording the progress of each project undertaken by the Group normally comprising various stages such as, among others, project research, site-visit, preparation and issue of reports in order to ensure revenue is being properly recognised based on the percentage-of-completion of each project; and (vi) implementing guidelines on handling price-sensitive and/or confidential information.

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The Company filed its first Listing application in May 2011. Since September 2011, the Group has, in the course of its Listing application, been requested to address the Stock Exchange's concern on work quality and required a reasonable period to demonstrate the effectiveness of its internal control and work quality, which prolonged the Company's Listing application process. In addition to the above standard internal control procedures, the Group has adopted a number of measures in respect of natural resources related projects to enhance the quality of work and to ensure the work performed comply with industry standards including (i) the strengthening of the natural resources related professional team including the recruitment of Mr. Hodgson as principal geologist in September 2012, Mr. Jones as chief geologist in April 2012 and Mr. Mensah as senior geologist in December 2011; (ii) the adoption of the best practice guidelines for the preparation of Competent Person's Report and Natural Resources Valuation Report in November 2011 complying with the requirements under JORC Code or CIMVAL; (iii) the review of the Group's procedures (including the Group's best practice guidelines for natural resources related projects) by Mr. Jones and Mr. Mensah in the preparation of the Competent Person's Report and the Natural Resources Valuation Report to ascertain compliance with applicable standards including JORC Code or CIMVAL and the implementation by the Group in January 2012 of the recommended procedures suggested by Mr. Jones and Mr. Mensah including the inclusion of standard report template in the best practice guideline for Competent Person's Report and introduction of a checklist system for Competent Person's Report to be completed by the Competent Person and subsequently reviewed by the peer reviewer; and (iv) the peer review conducted to identify any error or omission in the Competent Person's Report with reference to the aforesaid checklist system to ensure compliance with the applicable standards, in particular, the main principles under JORC Code such as transparency, materiality, competence and use of plain language.

The Directors believe that the above internal control measures will enhance the adequacy and quality of work following the industry standards so as to not only safeguard its reputation in the market and enhance its client's confidence, but also to minimise the Group's exposure to professional liability. Details of internal control measures implemented by the Group are set out in the paragraph headed "Internal control" in the section headed "Business" in this prospectus.

COMPETITIVE ADVANTAGES

The Directors believe that the following competitive advantages of the Group have contributed to its success to date.

- Integrated services with strong capabilities
- Experienced management and professional team
- Efficient client services

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STRATEGIES AND BUSINESS OBJECTIVES

The Group aims to become the leading valuation and technical advisory services provider in Hong Kong providing comprehensive services to its clients. Having considered the market potential of the industry and evaluated its existing market position and strengths, the Group intends to achieve its business objectives by implementing the following strategic plans, details of which are set out under the paragraph headed “Strategies and business objectives” in the section headed “Business” in this prospectus.

- Expanding the operation to offer a wider range of services
- Enhancing the quality of and expanding the Group’s professional team
- Upgrading and maintaining the information technology system
- Strengthening the Group’s marketing efforts
- Exploring merger and acquisition opportunities and business collaboration

RISK FACTORS

The Directors consider that the Group’s business and performance are subject to a number of risk factors which are beyond the Group’s control. The Directors believe that the following are some of the major risks that may materially and adversely affect the Group should they materialise.

The Group has been relying on natural resources valuation and technical advisory services and intends to continue to do so. The natural resources valuation and technical advisory services contributed revenue of approximately HK\$21.6 million and HK\$9.9 million to the Group, representing approximately 72.7% and 68.7% of the Group’s total revenue for the financial year ended 31 March 2012 and the four months ended 31 July 2012 respectively. Should the Group continue to focus and rely on the provision of natural resources valuation and technical advisory services and the revenue from such natural resources valuation and technical advisory services drops significantly, the profit of the Group may be adversely affected.

The Group’s success relies, to a significant extent, on the experience and knowledge of its management team, professional staff and independent professionals. In strengthening its natural resources related professional team, Mr. Mensah, Mr. Jones and Mr. Hodgson had been recruited by the Group respectively in December 2011, April 2012 and September 2012. The Group’s reliance on Mr. Hodgson, Mr. Jones and Mr. Mensah to sign off and to be involved in those projects is significant. Other than the said geologists, the Group assembled a panel of independent professional geologists comprising three members; one of the members has acted as a Competent Person and one has acted as a Competent Evaluator. Thus, the loss of any of their services without timely replacements could have a material adverse impact on the Group’s ability to continue to provide natural resources valuation and technical advisory services.

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The Group's business comprises, among others, issuing valuation and other reports including Competent Person's Reports and Natural Resources Valuation Reports that are subject to review and clearance by the Stock Exchange. In the two financial years ended 31 March 2011 and 2012, and the four months ended 31 July 2012, the Group's reports which are subject to review and clearance by the Stock Exchange accounted for approximately 22.0%, 31.4% and 17.3% respectively of the Group's total revenue. Nevertheless, the Stock Exchange considered that the Group's first submission draft natural resources related reports previously submitted to the Stock Exchange for vetting did not fully comply with the JORC Code and CIM best practices guidelines and it took the Stock Exchange longer than usual to clear the reports to bring them to an acceptable level. The Stock Exchange had in the past indicated to the Company that it had concerns on the quality of the first submission draft reports prepared by the Group with comments including lack of transparency, omission of material information and not using plain language and had encountered difficulties in timely clearing some of these reports during the Track Record Period due to the quality of such reports. Besides, the Stock Exchange had once in the past considered a proposed Competent Person, who was a professional team member in the Group's technical department during the Track Record Period, not having relevant experience to the style of mineralization of a mining project of a Group's client during the Track Record Period. The Group's business, growth prospects and results of operation and/or financial condition could be adversely affected by the quality of the Group's reports which are subject to the Stock Exchange's review and clearance.

The above risks are not the only significant risks that may affect the value of the Placing Shares. A detailed discussion of the risk factors is set out in the section headed "Risk factors" in this prospectus.

SUMMARY FINANCIAL INFORMATION

The following table is a summary of the key financial information of the Group during the periods ended on the dates indicated, which is extracted from the Accountants' Report set out in Appendix I to this prospectus. The summary financial data should be read in conjunction with the consolidated financial information in the Accountants' Report set out in Appendix I to this prospectus.

Key Financial Information

	<u>Year ended 31 March</u>		<u>Four months ended 31 July</u>	
	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>
	HK\$000	HK\$000	HK\$'000 (unaudited)	HK\$'000
Revenue	38,246	29,658	8,573	14,443
Profit/total comprehensive income for the year/ period attributable to owners of the Company	25,892	3,257	223	6,454
	HK cents	HK cents	HK cents	HK cents
Earnings per share for profit attributable to owners of the Company				
Basic	<u>3.8</u>	<u>0.48</u>	<u>0.03</u>	<u>0.95</u>
Diluted	<u>N/A</u>	<u>0.48</u>	<u>N/A</u>	<u>0.94</u>

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Major Financial Ratios Analysis

The tables below set forth certain major financial ratios of the Group as at the dates indicated:

	<u>As at 31 March</u>		<u>As at 31 July</u>
	<u>2011</u>	<u>2012</u>	<u>2012</u>
Current ratio	4.8	1.9	2.0
Gearing ratio	N/A	N/A	N/A

	<u>Year ended 31 March</u>		<u>Four months</u>
	<u>2011</u>	<u>2012</u>	<u>ended 31 July</u>
Net profit margin	67.7%	11.0%	44.7%
Return on total assets	73.8%	15.6%	N/A

Profit for the year/period attributable to owners of the Company and net profit margin

The net profit attributable to owners of the Company was approximately HK\$25.9 million and HK\$3.3 million for the two financial years ended 31 March 2011 and 2012 respectively, representing a drop of approximately 87.3%, and approximately HK\$0.2 million and HK\$6.5 million for the four months ended 31 July 2011 and 2012 respectively, representing an increase of approximately 3,150.0%. The Group's net profit margin decreased from approximately 67.7% for the financial year ended 31 March 2011 to approximately 11.0% for the financial year ended 31 March 2012, primarily as a result of the decrease in revenue, significant increase in employee benefit expenses and expenses in relation to the Listing and Placing being incurred by the Group. The net profit margin of the Group increased from approximately 2.6% for the four months ended 31 July 2011 to approximately 44.7% for the four months ended 31 July 2012, primarily as a result of the significant increase in revenue.

LATEST BUSINESS TREND

As at the Latest Practicable Date, the Group had been engaged by 70 Listed Companies and 48 private entities in 181 projects, which are active and on-going. The on-going projects, with similar terms with that of the Group's completed projects during the Track Record Period, comprise 65 natural resources valuation and technical advisory service projects; 36 real estate valuation projects; 30 business and intangible asset valuation projects; 30 financial instruments valuation projects; 9 purchase price allocation projects; 6 industrial valuation projects; 3 corporate advisory projects; and 2 work of art valuation project with a total contract sum of approximately HK\$77.1 million and of which approximately HK\$32.4 million were recognised as the Group's revenue during the Track Record Period.

The Group's financial performance for the financial year ending 31 March 2013 is expected to be affected by, among others, (i) the estimated expenses in relation to the Listing and Placing and the nature of which is non-recurrent; and (ii) the expected increase in employee benefit expense due to expansion of professional team and thus the Group's net profit margin for the financial year ending 31

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March 2013 is expected to drop as compared with that for the four months ended 31 July 2012. The net profit margin of the Group dropped by approximately 6.9% to approximately 37.8% for the four months ended 30 November 2012, as compared with that for the four months ended 31 July 2012.

The total expenses in relation to the Listing and Placing to be borne by the Company are estimated to be approximately HK\$10.4 million (assuming a Placing Price of HK\$0.50 per Placing Share, being the high-end of the indicative Placing Price range between HK\$0.25 and HK\$0.50 per Placing Share), of which approximately HK\$3.6 million is directly attributable to the issue of New Shares to the public and is to be accounted for as a deduction from equity. In the event that the Placing Price is set at HK\$0.375 per Placing Share (being the mid-point of the indicative Placing Price range between HK\$0.25 and HK\$0.50 per Placing Share), the estimated total expenses in relation to the Listing and Placing to be borne by the Company will be approximately HK\$9.8 million, of which approximately HK\$3.0 million will be directly attributable to the issue of New Shares to the public and will be accounted for as a deduction from equity. In the case that the Placing Price is set at HK\$0.25 per Placing Share (being the low-end of the indicative Placing Price range between HK\$0.25 and HK \$0.50 per Placing Share), the estimated total expenses in relation to the Listing and Placing to be borne by the Company will be approximately HK\$9.2 million, of which approximately HK\$2.4 million will be directly attributable to the issue of New Shares to the public and will be accounted for as a deduction from equity. Regardless of whether the Placing Shares are priced at the high-end, mid-point or low-end of the indicative Placing Price range, approximately HK\$4.1 million has been recorded in the Group's consolidated statement of comprehensive income for the financial year ended 31 March 2012 and approximately HK\$2.7 million is to be charged to the Group's consolidated statement of comprehensive income for the financial year ending 31 March 2013. The expenses in relation to the Listing and Placing to be borne by the Company include professional fees related jointly to obtaining a listing status on the Stock Exchange and the issue of New Shares. These expenses are allocated by the Group with reference to the total number of New Shares to be issued in the Placing and the total number of Shares upon Listing, which is in accordance with relevant accounting standards. It is noted that the expenses in relation to the Listing and Placing above are a current estimate for reference only and the actual amount to be recognised in the consolidated financial statements of the Group for the financial year ending 31 March 2013 is subject to any adjustments based on the audit and the changes in variables and assumptions.

Besides, the employee benefit expense (excluding remuneration of Directors and senior management) is expected to increase which was mainly due to the continuous recruitment of natural resources related professionals including Mr. Hodgson, Mr. Jones and Mr. Mensah for the expansion of the Group and increased salary level of the existing staff.

NO MATERIAL ADVERSE CHANGE

The Directors confirm that, there has been no material adverse change in the financial or trading position or prospects of the Group since 31 July 2012, being the date to which the latest audited financial statements of the Group were made up, and up to the date of this prospectus.

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THE PLACING

The Placing comprises 120,000,000 New Shares conditionally offered for subscription by the Company and 80,000,000 Sale Shares conditionally offered for sale by Aperto Investments Limited. Each of the Controlling Shareholders has no current intention to alter its shareholding in the Company after the Placing and the Capitalisation Issue and has given non-disposal undertakings in respect of its shareholding to the Company and the Stock Exchange as required by Rules 13.16A(1) and 13.19 of the GEM Listing Rules, details of which are set out in the paragraph headed “Undertakings” in the section headed “Underwriting” in this prospectus.

STATISTICS OF THE PLACING

	Based on the Placing Price of HK\$0.25 per Share	Based on the Placing Price of HK\$0.50 per Share
Market capitalisation of the Shares (<i>Note 1</i>)	HK\$200 million	HK\$400 million
Price/earnings multiple (<i>Note 2</i>)	61.4 times	122.8 times
Unaudited pro forma adjusted net tangible assets per Share (<i>Note 3</i>)	HK4.5 cents	HK8.1 cents

Notes:

1. The calculation of market capitalisation is based on 800,000,000 Shares expected to be in issue immediately upon completion of the Placing and the Capitalisation Issue.
2. The calculation of price/earnings multiple on a pro forma fully diluted basis is based on the earnings per Share for the financial year ended 31 March 2012 at the respective Placing Price of HK\$0.25 per Share and HK\$0.50 per Share and on the assumption that the Placing and the Capitalisation Issue have taken place since 1 April 2011 with a total number of 800,000,000 Shares in issue since 1 April 2011 but without taking into account any shares which may be issued upon the exercise of options which have been conditionally granted under the Pre-IPO Share Option Scheme.
3. The unaudited pro forma adjusted net tangible assets per Share has been arrived at after the adjustments set out in Appendix II to this prospectus and on the basis of 800,000,000 Shares in issue at the respective Placing Prices of HK\$0.25 and HK\$0.50 per Share immediately following completion of the Placing and the Capitalisation Issue.

DIVIDEND POLICY

On 3 May 2011, Roma Appraisals declared an annual dividend in the sum of HK\$16.5 million for the financial year ended 31 March 2011, which was partially settled on 25 May 2011 by way of offsetting the entire amount due from a director of approximately HK\$13.8 million as at the date thereof with the remaining balance of approximately HK\$2.7 million being settled by cash.

On 28 October 2011, the Company declared an interim dividend in the sum of HK\$4 million and which was paid on even date.

On 2 April 2012, the Company declared a special dividend in the sum of HK\$7 million, and HK\$3 million of which was paid on 3 April 2012 and HK\$4 million of which was paid on 26 July 2012.

Save for the above, the Group did not declare nor pay any dividends to shareholders of the Company during the Track Record Period.

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The declaration, payment and amount of dividends are at the discretion of the Directors and will be dependent upon the Group's earnings, financial condition, cash requirements and availability, the provision of relevant law, and such other factors as the Directors may from time to time consider to be relevant. Dividends may be paid only out of the distributable profits as permitted under the relevant laws. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in the operations. There can be no assurance that the Group will be able to declare or distribute any dividend in the amount set out in any plan of the Board or at all. The dividend distribution record in the past may not be used as a reference or basis to determine the level of dividends that may be declared or paid by the Group in the future.

PRE-IPO SHARE OPTION SCHEME

The Company conditionally adopted the Pre-IPO Share Option Scheme on 26 September 2011. The purpose of the Pre-IPO Share Option Scheme is to provide incentives and rewards to the Group's employees and consultants for their future contribution and to aid the Company in retaining key and senior employees of the Group. Details of the principal terms of the Pre-IPO Share Option Scheme are set out in the paragraph headed "Pre-IPO Share Option Scheme" in Appendix IV to this prospectus.

The fair value of the share options conditionally granted under the Pre-IPO Share Option Scheme was HK\$453,000. The share option expense for the options conditionally granted under the Pre-IPO Share Option Scheme shall be amortised over the vesting periods of the options. The financial impact of the share options granted under the Pre-IPO Share Option Scheme on the Group's financial statements is summarised as follows:

	<u>Year 2013</u>	<u>Year 2014</u>	<u>Year 2015</u>	<u>Year 2016</u>
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Increase in employee benefit expense	87	88	87	61
Decrease in profit for the year	(87)	(88)	(87)	(61)
Increase in share option reserve	87	88	87	(61)

Assuming that all the options granted under the Pre-IPO Share Option Scheme had been exercised in full on the Listing Date, this would have a dilution effect on the shareholdings of the Company of approximately 7.2% and a dilution effect of approximately 6.7% on earnings per Share such that the estimated earnings per Share for the financial year ended 31 March 2012 will be diluted from approximately HK0.41 cents to approximately HK0.38 cents. The estimated earnings per Share is calculated based on 857,800,000 Shares, the assumed number of Shares to be in issue and outstanding throughout the financial year ended 31 March 2012 solely for the purposes of this calculation, comprising 800,000,000 Shares to be in issue immediately after the Placing and the Capitalisation Issue and 57,800,000 Shares to be issued upon the exercise of all the options granted under the Pre-IPO Share Option Scheme.

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USE OF PROCEEDS

The Directors intend to apply the net proceeds from the Placing to finance the business expansion, capital expenditure and strengthen the capital base of the Group and improve the Group's overall financial position. Based on the Placing Price of HK\$0.375 per Placing Share (being the mid-point of the indicative Placing Price range between HK\$0.25 and HK\$0.50 per Placing Share), the net proceeds from the placing of the New Shares, after deducting underwriting commission and estimated expenses payable by the Company in connection thereto, are estimated to be approximately HK\$35.2 million. The estimated net proceeds of approximately HK\$23.5 million from the sale of the Sale Shares will be received by Aperto Investments Limited and therefore will not be available to the Group. The Company presently intends to apply such net proceeds from the placing of the New Shares as follows:

	From the Latest Practicable Date to		For the six months ending			Total
	31 March 2013	30 September 2013	31 March 2014	30 September 2014	31 March 2015	
	HK\$ (in million)	HK\$ (in million)	HK\$ (in million)	HK\$ (in million)	HK\$ (in million)	
Exploring merger and acquisition opportunities and business collaboration						7.2
Enhancing the quality and expanding the professional team	—	0.7	2.6	4.9	5.3	13.5
Upgrading and maintaining the information technology system	0.9	1.8	1.8	1.8	1.7	8.0
Strengthening the marketing efforts	0.4	0.9	0.9	0.9	0.9	4.0
Working capital and other general corporate purposes	—	—	—	—	—	2.5
Total	1.3	3.4	5.3	7.6	7.9	35.2

Details of the implementation plan are set out in the section headed “Business objectives and future plans” in this prospectus.