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

If you have sold or transferred all your shares in **Kwong Man Kee Group Limited** (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser(s), the transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

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Kwong Man Kee Group Limited

鄺文記集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8023)

**MAJOR TRANSACTION
ACQUISITION OF PROPERTY**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE

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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DEFINITIONS

In this circular, the following words and expressions shall have the following meanings unless the context indicates otherwise:

| | |
|---------------------------|--|
| “Acquisition” | the acquisition of the Property by the Purchaser from the Vendor |
| “Agreements” | the Preliminary Agreement and the Formal Agreement |
| “Announcement” | the announcement dated 1 March 2017 published by the Company in respect of the Acquisition which constitutes a major transaction of the Company |
| “Board” | the board of Directors of the Company |
| “Company” | Kwong Man Kee Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8023) |
| “Completion” | completion of the Acquisition in accordance with the terms of the Preliminary Agreement and the Formal Agreement |
| “controlling shareholder” | has the meaning ascribed thereto under the GEM Listing Rules |
| “Directors” | the directors of the Company |
| “Formal Agreement” | the formal sale and purchase agreement entered into between the Vendor and the Purchaser on 7 March 2017 in relation to the sale and purchase of the Property, which has incorporated the terms and conditions contained in the Preliminary Agreement and any other terms mutually agreed amongst the Purchaser and the Vendor |
| “GEM” | Growth Enterprise Market of the Stock Exchange |
| “GEM Listing Rules” | The Rules Governing the Listing of Securities on the GEM |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Latest Practicable Date” | 18 April 2017, being the latest practicable date for ascertaining certain information contained in this circular |
| “percentage ratios” | have the meaning ascribed to such term in Chapter 19 of the GEM Listing Rules |

DEFINITIONS

| | |
|-------------------------|--|
| “Preliminary Agreement” | the preliminary agreement for sale and purchase of the Property entered into between the Purchaser and the Vendor dated 1 March 2017 |
| “Property” | Workshop on the 21st Floor and Car Park Nos. P5 and P6 on the 1st Floor of The Bedford, Nos. 91-93, Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong |
| “Prospectus” | the prospectus of the Company dated 30 September 2016 |
| “Purchase Price” | the consideration in the amount of HK\$29,980,000.00 payable by the Purchaser for the Acquisition in accordance with the terms of the Preliminary Agreement |
| “Purchaser” | Kwong Man Kee Engineering Limited (鄺文記工程有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company |
| “Sage City” | Sage City Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a controlling shareholder of the Company |
| “SFO” | Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | holder(s) of the issued Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Vendor” | Triple Sky Limited, a company incorporated in Hong Kong with limited liability |
| “%” | per cent. |

LETTER FROM THE BOARD

Kwong Man Kee Group Limited

鄺文記集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8023)

Executive Directors:

Mr. Kwong Chi Man

Mr. Yip Wai Man

Independent Non-Executive Directors:

Ms. Yu Wan Wah Amparo

Mr. Law Pui Cheung

Mr. Wat Hiu Yan Danny

Registered Office:

Office J on 11th Floor

No. 3 On Kwan Street

Sha Tin

New Territories

Hong Kong

21 April 2017

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION ACQUISITION OF PROPERTY

INTRODUCTION

Reference is made to the Announcement in which the Board announced that on 1 March 2017, the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Preliminary Agreement with the Vendor in relation to the acquisition of the Property for the Purchase Price in the amount of HK\$29,980,000.00.

As one or more of the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

LETTER FROM THE BOARD

The Company has obtained written approval for the Acquisition in accordance with Rule 19.44 of the GEM Listing Rules from Sage City (which as at the date of the Announcement and this circular held 375,750,000 Shares in the Company, representing approximately 62.63% of the issued share capital of the Company) in respect of the Acquisition. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition; and (ii) the written approval of Sage City for the Acquisition as mentioned above has been obtained, no special general meeting will be convened for the purpose of approving the Acquisition as permitted under Rule 19.44 of the Listing Rules.

The purpose of this circular is to provide you with further information regarding the Acquisition.

THE AGREEMENTS AND THE ACQUISITION

Preliminary Agreement

| | | |
|---------------|---|---|
| Date | : | 1 March 2017 |
| Parties | : | (1) The Vendor (2) The Purchaser |
| Property | : | Workshop on the 21st Floor and Car Park Nos. P5 and P6 on the 1st Floor of The Bedford, Nos. 91-93 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong |
| Consideration | : | HK\$29,980,000.00 |
| Stamp Duty | : | All stamp duty shall be borne by the Purchaser |

Information of the Property

Pursuant to the terms and conditions of the Preliminary Agreement, the Vendor shall sell and the Purchaser shall acquire the Property, which is located at Workshop on the 21st Floor and Car Park Nos. P5 and P6 on the 1st Floor of The Bedford, Nos. 91-93 Bedford Road, Tai Kok Tsui, Kowloon, Hong Kong. Vacant possession of the Property will be delivered to the Purchaser on Completion. To the best of the Directors' knowledge, information and belief, the Property is a first-hand property and is currently vacant.

LETTER FROM THE BOARD

Consideration

The Purchase Price in the aggregate amount of HK\$29,980,000.00 for the Acquisition is to be satisfied by the Purchaser in the following manner:

- (1) HK\$2,998,000.00, equivalent to 10% of the Purchase Price, was paid to the Vendor upon signing of the Preliminary Agreement as initial deposit;
- (2) HK\$2,998,000.00, equivalent to 10% of the Purchase Price, was paid upon signing of the Formal Agreement as further deposit; and
- (3) the remaining balance of HK\$23,984,000.00, equivalent to 80% of the Purchase Price, is to be paid upon Completion of the Acquisition, which is expected to take place on or before 31 May 2017.

It is estimated that the total cost of the Property together with transaction costs such as stamp duty and property agent commission will be approximately HK\$32,678,300.00.

The Purchase Price was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the market value of similar properties in similar locations, and (ii) the preliminary value of the Property at HK\$30,000,000.00 as at 28 February 2017 as appraised by LCH (Asia-Pacific) Surveyors Limited, an independent property valuer appointed by the Company. The Directors (including the independent non-executive Directors) believe that the Purchase Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole. It is expected that the Purchase Price will be financed as to (i) approximately HK\$15,500,000.00 from the Share Offer (as defined in the Prospectus); (ii) approximately HK\$2,488,000.00 from the Group's own operating cash flow; and (iii) approximately HK\$11,992,000.00 from mortgage from a commercial bank. The Board confirms that the financing arrangement of the Acquisition is consistent with the use of net proceeds as stated in the Prospectus.

A valuation of the Property has been carried out by LCH (Asia-Pacific) Surveyors Limited, which valued the market value of the Property in existing state at HK\$30,000,000.00 as at 28 February 2017. The valuation report of the Property performed by LCH (Asia-Pacific) Surveyors Limited is set out in Appendix II to this circular.

Formal Agreement and Completion

The Formal Agreement has been entered into between the Purchaser and Vendor on 7 March 2017. Subject to the Vendor having proved good title to the Property, Completion will take place on or before 31 May 2017.

LETTER FROM THE BOARD

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability, which is principally engaged in building construction and property development. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the ultimate holding company of the Vendor is Hanison Construction Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the main board of the Stock Exchange (stock code: 896).

The Directors confirm that to the best of their knowledge, information and belief, having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) (if applicable) are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules).

The Directors also confirm that to the best of their knowledge, information and belief having made all reasonable enquiries, there is no prior transaction with the Vendor or its ultimate beneficial owner(s) (if applicable) which is required to be aggregated with the Acquisition pursuant to Rule 19.22 of the GEM Listing Rules.

INFORMATION ON THE PURCHASER AND THE COMPANY

The Purchaser is an indirect wholly-owned subsidiary of the Company and principally engages in the provision of (i) flooring services, which involve the application of proprietary floor coating products for the purpose of providing a colourful, slip resistance, hard wearing surface that is resistant against water and petrochemicals; and (ii) ancillary services, which include concrete repairing and wall painting work in Hong Kong.

The Group's target segment is from mid to high end customers in the car park flooring market. As disclosed in the management discussion and analysis in the Company's interim report dated 11 November 2016, the Group is actively exploring new business opportunities by keeping track of any new construction projects in Hong Kong through existing network, solicit new business through sending its marketing material to architects who are responsible for determining products and services specifications of new construction projects.

REASONS FOR THE ACQUISITION

As disclosed in the Prospectus, the Company intends to use part of the net proceeds from the Share Offer (as defined in the Prospectus) of approximately HK\$15,500,000.00 for acquisition of a property to strengthening our Group leading position in the construction market and expand its presence in the refurbishment market. Such purchase is expected to facilitate the marketing of the Company's services to both existing and new customers and in raising its profile. The Directors consider that the Property will, amongst other things, (i) cater for the Group's expanding staff; (ii) mitigate the risk of possible substantial increases in rental expenses; (iii) mitigate the risk of early termination or non-renewal of the Group's existing lease by the relevant landlord; and (iv) ensure the continuity of its operation.

LETTER FROM THE BOARD

FINANCIAL EFFECT OF THE ACQUISITION

The Property is held as leasehold land and building under property, plant and equipment in the Group after completion. The property, plant and equipment of the Group is expected to increase to approximately HK\$32,678,300, representing the sum of purchase price, agency fee, stamp duty and other expenses incurred for the Acquisition; the total assets and net asset value of the Group is expected to be remained as the increase in property, plant and equipment is off set by the decrease in bank balance and increase in mortgage loan. The Group expects the Acquisition will increase the annual depreciation charges by approximately HK\$1,100,000. However, the above estimated depreciation charge is expected to be offset by annual savings of approximately HK\$240,000 in rental expenses.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Chapter 19 of the GEM Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under the GEM Listing Rules.

The Company has obtained written approval for the Acquisition in accordance with Rule 19.44 of the GEM Listing Rules from Sage City (which as at the date of the Announcement and this circular held 375,750,000 Shares in the Company, representing approximately 62.63% of the issued share capital of the Company) in respect of the Acquisition. To the best of the Directors' knowledge, information and belief, after having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition. On the basis that (i) no Shareholder is required to abstain from voting if the Company were to convene a special general meeting for the approval of the Acquisition; and (ii) the written approval of Sage City for the Acquisition as mentioned above has been obtained, no special general meeting will be convened for the purpose of approving the Acquisition as permitted under Rule 19.44 of the Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the Acquisition is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
Kwong Man Kee Group Limited
Kwong Chi Man
Chairman and Executive Director

1. FINANCIAL SUMMARY OF THE GROUP

Financial information of the Group for each of the two financial years ended 31 March 2015 and 2016 are set out in the Accountant's Report included in the Prospectus. Financial information of the Group for the nine months ended 31 December 2016 were set out in the relevant announcements and third quarterly report of the Company uploaded to the Stock Exchange's website (<http://www.hkexnews.hk>) and the Company's website (<http://www.kmk.com.hk>).

2. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the effect of the Acquisition, the mortgage loan to be obtained from a commercial bank for the Acquisition and the present available financial resources of the Group including our internally generated funds, the Group has sufficient working capital for its present requirements, that is the next 12 months from the date of this circular in the absence of unforeseen circumstances.

3. STATEMENT OF INDEBTEDNESS

As at the close of business on 28 February 2017, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had no borrowings.

Save as aforesaid or as otherwise disclose herein, and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding or agreed to be issued, term loans, loan capital, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptable credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured and unsecured, guarantees or other material contingent liabilities at the close of business on 28 February 2017.

4. FINANCIAL AND TRADING PROSPECTUS OF THE GROUP

The Group is principally engaged in the Hong Kong car park flooring industry. We provide flooring services, which involve the application of proprietary floor coating products for the purpose of providing a colorful, slip-resistance, hard wearing surface that is resistant against water and petrochemicals. As disclosed in the management discussion and analysis in the Company's third quarterly report the Board and the management are actively exploring new business opportunities by keeping track of any new construction projects through exiting network and develop the brand of the Group.

As disclosed in the Company's announcement dated 1 March 2017, the Company intends to use the majority of the net proceeds from the Share Offer (as defined in the Prospectus) of approximately HK\$15,500,000.00 for acquisition of a property to expand its presence in the refurbishment market and new construction market. Such purchase is expected to facilitate the marketing of the Company's services to both existing and new customers and in raising its profile. The Directors consider that the Property will, amongst other things, (i) cater for the Group's expanding staff; (ii) mitigate the risk of possible substantial increases in rental expenses; (iii) mitigate the risk of early termination or non-renewal of the Group's existing lease by the relevant landlord; and (iv) ensure the continuity of its operation.

Taking into account the high demand of properties in Hong Kong and the growing emphasis on the quality of car parking space in the society and the increasing fine for illegal parking, the Board expects there will be continuous growth in demand of quality car parking space and considers that expansion of the Group's human resources so that more projects could be handled at the same time, and thus be in the interest of the Company and the Shareholders as a whole.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, The Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published audited financial statements of the Group were made up.

The following is the text of a letter and the valuation certificate prepared for the purpose of incorporation in this circular received from LCH (Asia-Pacific) Surveyors Limited, an independent professional surveyor, in connection with its valuation as at 28 February 2017 of the property interests proposed to be acquired by the Group.



利駿行測量師有限公司

LCH (Asia-Pacific) Surveyors Limited

PROFESSIONAL SURVEYOR
PLANT AND MACHINERY VALUER
BUSINESS & FINANCIAL ASSETS VALUER

The readers are reminded that the report which follows has been prepared in accordance with the reporting guidelines set by the HKIS Valuation Standards 2012 Edition (the “HKIS Standards”) published by the Hong Kong Institute of Surveyors (the “HKIS”). The standards entitles the valuer to make assumptions which may on further investigation, for instance by the readers’ legal representative, prove to be inaccurate. Any exception is clearly stated below. Headings are inserted for convenient reference only and have no effect in limiting or extending the language of the paragraphs to which they refer. Translations of terms in English or in Chinese are for reader’s identification purpose only and have no legal status or implication in this report. This report was prepared and signed off in English format, translation of this report in language other than English shall only be used as a reference and should not be regarded as a substitute for this report. Piecemeal reference to this report is considered to be inappropriate and no responsibility is assumed from our part for such piecemeal reference. It is emphasised that the findings and conclusion presented below are based on the documents and facts known to us at the Latest Practicable Date of this circular. If additional documents and facts are made available, we reserve the right to amend this report and its conclusion.

17th Floor
Champion Building
Nos. 287-291 Des Voeux Road Central
Hong Kong

21 April 2017

The Board of Directors
Kwong Man Kee Group Limited
Office J on 11th Floor
No. 3 On Kwan Street
Sha Tin
New Territories
Hong Kong

Dear Sirs,

In accordance with the instructions given by the present management of Kwong Man Kee Group Limited (hereinafter referred to as the “**Instructing Party**”) to us to conduct a valuation of a real property (same as the word “property” in this report) proposed to be acquired by Kwong Man Kee Group Limited (hereinafter referred to as the “**Company**”) and its subsidiaries (collectively, together with the Company hereinafter referred to as the “**Group**”) in Hong Kong, we confirm that we have conducted inspections,

made relevant enquiries and obtained such further information as we consider necessary to support our findings and our conclusion of value of the property interest as at 28 February 2017 (hereinafter referred to as the “**Valuation Date**”) for the Instructing Party’s internal management reference purpose.

We understand that the use of our work product (regardless of form of presentation) will form part of the Instructing Party’s due diligence but we have not been engaged to make specific sales or purchase recommendations, or give opinion for financing arrangement. We further understand that the use of our work product will not supplant other due diligence which the Instructing Party should conduct in reaching its business decision regarding the property valued. Our work is designed solely to provide information that will give the Instructing Party a reference in its due diligence process, and our work should not be the only factor to be referenced by the Instructing Party. Our findings and conclusion of value of the property interest are documented in a valuation report and submitted to the Instructing Party at today’s date (hereinafter referred to as the “**Report Date**”).

At the request of the Instructing Party, we prepared this summary report (including this letter and the valuation certificate) to summarise our findings and conclusion of value as documented in the valuation report for the purpose of inclusion in this circular at the Report Date for the Instructing Party’s reference. Terms used herein without definition shall have the same meanings as in the valuation report, and the assumptions and caveats adopted in the valuation report also apply to this summary report.

BASIS OF VALUATION AND ASSUMPTIONS

According to the HKIS Standards, there are two valuation bases, namely market value basis and valuation bases other than market value. In this engagement, we have provided our conclusion of value of the property on the market value basis.

The term “Market Value” is defined by the HKIS Standards as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

Unless otherwise stated, our valuation of the real property has been made on the assumptions that, as at the Valuation Date,

1. the legally interested party in the property has absolute title to its relevant property interest;
and
2. the legally interested party in the property sells its relevant property interest in the market in its existing states without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to increase the value of the property interest.

Should any of the above not be the case, it will have adverse impact to the value as reported.

APPROACH TO VALUE

There are three generally accepted approaches in arriving at the market value of a property on an absolute title basis, namely the Sales Comparison Approach (or known as the Market Approach), the Cost Approach and the Income Approach.

In valuing the property, we have adopted the Sales Comparison Approach. This approach considers the sales, listing or offerings of similar or substitute properties and related market data to establish a value estimate by processes involving comparison. The underlying assumption of this approach is that an investor will pay no more for a property than he or she would have to pay for a similar property of comparable utility.

Unless otherwise stated, we have not carried out any valuation on a redevelopment basis to the property and the study of possible alternative development options and the related economics do not come within the scope of our work.

MATTERS THAT MIGHT AFFECT THE VALUE REPORTED

For the sake of valuation, we have adopted the areas as they appear in the copy of the documents as provided and no further verification work has been conducted. Should it be established subsequently that the adopted areas were not the latest approved, we reserve the right to revise our report and the valuation accordingly.

Unless otherwise stated, no allowance has been made in our valuation for any charges, mortgages, outstanding premium or amounts owing on the property valued nor any expenses or taxation which may be incurred in affecting a sale of the property. Unless otherwise stated, it is assumed that the property is free from all encumbrances, restrictions, and outgoings of an onerous nature which could affect its value.

Unless otherwise stated, in our valuation, we have assumed that the property is able to be sold and purchased in the market without any legal impediment (especially from the regulators). Should this not be the case, it will affect the reported value significantly. The readers are reminded to have their own legal due diligence work on such issue. No responsibility or liability is assumed.

Unless otherwise stated, as at the Latest Practicable Date of this circular, we were unable to identify any adverse news against the property which may affect the reported value in our work product. Thus, we are not in the position to report and comment on its impact (if any) to the property. However, should it be established subsequently that such news did exist at the Valuation Date, we reserve the right to adjust the value reported herein.

ESTABLISHMENT OF TITLES

In the course of valuation, we have conducted title searches on the property in the Land Registry of Hong Kong. However, we have not inspected the original documents to verify ownership or to verify any amendment which may not appear on the copies handed to us. We are not legal professional and we are unable to ascertain the titles and to report any encumbrances (if any) that are registered against the property. No responsibility and liability is assumed.

In our report, we have assumed that the Instructing Party has obtained all the approval and/or endorsement from the relevant authorities to own or use the property, and that there would have no legal impediment (especially from the regulators) for the Instructing Party to continue the legal titles of the property. Should this not be the case, it will affect our findings or conclusions of value in this report significantly. The readers are reminded to have their own legal due diligence work on such issues. No responsibility or liability is assumed.

INSPECTIONS AND INVESTIGATIONS OF THE PROPERTY

We have conducted inspections to the exterior, and where possible, the interior of the property in respect of which we have been provided with such information as we have requested for the purpose of engagement. The property was inspected by Sr Elsa Ng in March and April 2017. We have not inspected those parts of the property which were covered, unexposed or inaccessible and such parts have been assumed to be in a reasonable condition. We cannot express an opinion about or advice upon the condition of the property and our work product should not be taken as making any implied representation or statement about the condition of the property. No building survey, structural survey, investigation or examination has been made, but in the course of our inspections, we did not note any serious defects in the property inspected. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out to the utilities (if any) and we are unable to identify those utilities covered, unexposed or inaccessible.

We have not carried out on-site measurements to verify the correctness of the areas of the property, but have assumed that the areas shown on the documents and official layout plans handed to us are correct. All dimensions, measurements and areas are approximations.

Our engagement and the agreed procedures to value the property did not include an independent land survey to verify the legal boundaries of the property. We need to state that we are not in the land survey profession, therefore, we are not in the position to verify or ascertain the correctness of the legal boundaries of such property that appeared on the documents handed to us. No responsibility from our part is assumed. The Instructing Party or interested party in the property should conduct their own legal boundaries due diligence work.

We have not arranged for any investigation to be carried out to determine whether or not any deleterious or hazardous material has been used in the construction of the property, or has since been incorporated, and we are therefore unable to report that the property is free from risk in this respect, and therefore we have not considered such factors in our valuation.

We are not aware of the content of any environmental audit or other environmental investigation or soil survey which may have been carried out on the property and which may draw attention to any contamination or the possibility of any such contamination. In undertaking our work, we have assumed that no contaminative or potentially contaminative uses have ever been carried out in the property. We have not carried out any investigation into past or present uses of the property or of any neighbouring land, to establish whether there is any contamination or potential for contamination to the property from these uses or sites, and have therefore assumed that none exists. However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported or affect our findings.

If the Instructing Party or the Group is proposing to purchase the property and wants to satisfy themselves as to its condition, then they should obtain a surveyor's detailed inspection and report of their own before deciding whether or not to enter into an agreement for sale and purchase.

SOURCES OF INFORMATION AND ITS VERIFICATION

We have relied solely on the information provided by the Instructing Party or the appointed personnel of the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, occupation, site and floor areas and all other relevant matters.

Our valuation has been made only based on the advice and information made available to us. While a limited scope of general inquiries had been made to the local property market practitioners, we are not in the position to verify and ascertain the correctness of the advice given by the relevant personnel. No responsibilities or liability is assumed.

Information furnished by others, upon which all or portions of our work product are based, is believed to be reliable but has not been verified in all cases. Our procedures to work do not constitute an audit, review, or compilation of the information provided. Thus, no warranty is made nor liability assumed for the accuracy of any data, advice, opinions, or estimates identified as being furnished by others which have been used in formulating our work product.

When we adopted the work products from other professions, external data providers and the Instructing Party or the appointed personnel of the Company in our works, the assumptions and caveats that adopted by them in arriving at their figures also applied to our work. The procedures we have taken do not provide all the evidence that would be required in an audit and, as we have not performed an audit, accordingly, we do not express an audit opinion.

We are unable to accept any responsibility for the information that has not been supplied to us by the Instructing Party or the appointed personnel of the Company. We have sought and received confirmation from the Instructing Party or the appointed personnel of the Company that no materials factors have been omitted from the information supplied. Our analysis and valuation are based upon full disclosure between us and the Instructing Party of material and latent facts that may affect our works.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Instructing Party or the appointed personnel of the Company. We consider that we have been provided with sufficient information to reach an informed view, and have had no reason to suspect that any material information has been withheld.

Unless otherwise stated, all monetary amounts are in Hong Kong dollars (“HK\$”).

LIMITING CONDITIONS IN THIS SUMMARY REPORT

Our findings or conclusion of values of the property in this summary report is valid only for the stated purpose and only for the Valuation Date, and for the sole use of the Instructing Party. We or our personnel shall not be required to give testimony or attendance in court or to any government agency by reason of this summary report, and we accept no responsibility whatsoever to any other person.

Our valuation has been made on the assumption that no unauthorised alteration, extension or addition has been made in the property, and that the inspections and the use of this report do not purport to be a building survey of the property. We have assumed that the property is free of rot and inherent danger or unsuitable materials and techniques.

No responsibility is taken for changes in market conditions and local government policy, and no obligation is assumed to revise this summary report to reflect events or conditions, which occur or make known to us subsequent to the date hereof. Neither the whole nor any part of this summary report or any reference made hereto may be included in any published documents, prospectus or statement, or published in any way, without our written approval of the form and context in which it may appear. Nonetheless, we consent to the publication of this summary report in this circular to the Company’s shareholders’ reference.

Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the charges paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

The Company and the Instructing Party are required to indemnify and hold us and our personnel harmless from any claims, liabilities, costs and expenses (including, without limitation, attorney’s fees and the time of our personnel involved) brought against, paid or incurred by us at a time and in any way based on the information made available in connection with our work product except to the extent that any such losses, expenses, damages or liabilities are ultimately determined to be the result of gross negligence of our engagement team in conducting its work. This provision shall survive even after the termination of this engagement for any reason.

STATEMENTS

This summary report is prepared in line with the requirements contained in Chapter 8 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as well as the reporting guidelines contained in the HKIS Standards. The valuation has been undertaken by us, acting as external valuer, for the purpose of this valuation.

We retain a copy of this summary report and the detailed valuation report together with the data and document provided by the Instructing Party for the purpose of this valuation, and these data and documents will, according to the Laws of Hong Kong, be kept for a period of 6 years from the date it provide to us and to be destroyed thereafter. We considered these records confidential, and we do not permit access to them by anyone, with the exception for law enforcement authorities or court order, without the Instructing Party's authorisation and prior arrangement made with us in writing. Moreover, we will add the Company's information into our client list for our future reference.

The analysis or valuation of the property depends solely on the assumptions made in this report and not all of which can be easily quantified or ascertained exactly. Should some or all of the assumptions prove to be inaccurate at a later date, it will affect the reported findings or conclusion of values significantly.

We hereby certify that the fee for this service is not contingent upon our conclusion and we have no significant interest in the property, the Group or the value reported.

The valuation certificate is attached.

Yours faithfully,

For and on behalf of

LCH (Asia-Pacific) Surveyors Limited

Elsa Ng Hung Mui *B.Sc. M.Sc. RPS(GP)*

Executive Director

Sr Elsa Ng Hung Mui has been conducting valuation of real properties in Hong Kong, Macau and mainland China since 1994. She is a Fellow of The HKIS and a valuer on the List of Property Valuers for Undertaking Valuation for Incorporation or Reference in Listing Particulars and Circulars and Valuation in Connection with Takeovers and Mergers published by The HKIS.

VALUATION CERTIFICATE

Property to be acquired by the Group located in Hong Kong and valued on the Market Value basis

| Property | Description and tenure | Particulars of occupancy | Market Value in its existing state as at 28 February 2017 HK\$ |
|---|---|--|--|
| Workshop on the 21 st Floor, Car Park Nos. P5 and P6 on the 1 st Floor The Bedford No. 93 Bedford Road Tai Kok Tsui Kowloon Hong Kong | The property comprises the whole of the 21 st Floor and 2 private car parking spaces on the 1 st Floor of a 24-storey industrial building which was completed in 2013. | As inspected and confirmed by the Company, the property was vacant as at the Valuation Date. | 30,000,000 HONG KONG DOLLARS THIRTY MILLION ONLY (100 per cent. interest) |
| 205/4,077 th shares of and in the Kowloon Inland Lot Nos. 7798, 7799, 7800 and 7801 (the "Lots") | The property (excluding the car parking spaces) has a gross floor area of approximately 3,040 square feet ("sq.ft.") and a saleable area of approximately 2,176 sq.ft., respectively. Developments in the locality are intermingled with industrial buildings and residential buildings. The property is subject to 4 various government leases, all commencing from 19 March 1956 for 75 years and renewable for 75 years. The Government Rent payable for the whole Lots is HK\$240 per annum | | |

Notes:

1. The current registered owner of the property is Triple Sky Limited.
2. The property is subject to an Agreement for Sale and Purchase with Plans dated 7 March 2017 and registered via Memorial No. 17032100740027 at a consideration of HK\$29,980,000 in favour of Kwong Man Kee Engineering Limited.
3. The property is subject to an Occupation Permit No. KN19/2013 (OP) dated 12 July 2013 and registered vide Memorial No. 13100900610056 on 9 October 2013.
4. The property is subject to a Deed of Mutual Covenant Incorporating Management Agreement with Plans dated 20 November 2013 and registered vide Memorial No. 13121300890105 on 13 December 2013.

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. DISCLOSURE OF INTERESTS

A. Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company

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

Long position in the Shares

| Name of Director | Capacity/Nature | Number of Shares held/interested in | Percentage of Shareholding |
|--|------------------------------------|-------------------------------------|----------------------------|
| Mr. Kwong Chi Man ("Mr. Kwong") (Note) | Interest in controlled corporation | 375,750,000 | 62.63% |

Note: Mr. Kwong beneficially owns 70% of the issued share capital of Sage City Investments Limited ("Sage City"), the beneficial owner holding 62.63% shareholding in our Company. Therefore, Mr. Kwong is deemed, or taken to be, interested in all our Shares which are beneficially owned by Sage City for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

B. Substantial Shareholders' interest and short positions in shares and underlying shares

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company), had interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

| Name of Shareholder | Capacity/Nature | Number of Shares held/interested in | Percentage of Shareholding |
|----------------------------|------------------------------|--|-----------------------------------|
| Ms. Li Chuen Chun | Interest of spouse (Note) | 375,750,000 | 62.63% |

Note: Ms. Li Chuen Chun is the spouse of Mr. Kwong and is deemed, or taken to be, interested in all the Shares in which Mr. Kwong is interested for the purposes of the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executives of the Company) who had interests or short positions in the Shares or underlying Shares (including any interests in options in respect of such capital), which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

3. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which was not determinable by the Company within one year without payment of compensation, other than statutory compensation.

4. INTEREST IN ASSETS OR CONTRACTS

- (a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to the Company since 31 March 2016, being the date to which the latest published audited accounts of the Company were made up.
- (b) As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Company.

5. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective associates were considered to have any interest in business which competed or were likely, either directly or indirectly, with the business of the Group.

6. LITIGATION

Save as disclosed in this circular, as at the Latest Practicable Date, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Group is engaged or pending or threatened 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 within the two years immediately preceding the date of this circular which are or may be material:

- (a) an instrument of transfer dated 14 August 2015 entered into between Mr. Kwong Chi Man (“**Mr. Kwong**”) and Victor Ease Limited (“**Victor Ease**”) for the transfer of 100 ordinary shares of the Purchaser from Mr. Kwong to Victor Ease, representing 100% of the then total issued share capital of the Purchaser, at a consideration for which 9,999 consideration shares of Victor Ease were allotted and issued to Mr. Kwong, all credited as fully paid;
- (b) bought and sold notes dated 14 August 2015 entered into between Mr. Kwong and Victor Ease for the transfer of 100 ordinary shares of the Purchaser from Mr. Kwong to Victor Ease, representing 100% of the then total issued share capital of the Purchaser, at a consideration for which 9,999 consideration shares of Victor Ease were allotted and issued to Mr. Kwong, all credited as fully paid;
- (c) an instrument of transfer dated 14 August 2015 entered into between Mr. Kwong and Sage City for the transfer of 10,000 ordinary shares of Victor Ease from Mr. Kwong to Sage City, representing 100% of the then total issued share capital of Victor Ease, at a consideration for which 9,999 consideration shares of Sage City were allotted and issued to Mr. Kwong, all credited as fully paid;
- (d) bought and sold notes dated 14 August 2015 entered into between Mr. Kwong and Sage City for the transfer of 10,000 ordinary shares of Victor Ease from Mr. Kwong to Sage City, representing 100% of the then total issued share capital of Victor Ease, at consideration for which 9,999 consideration shares of Sage City were allotted and issued to Mr. Kwong, all credited as fully paid;

- (e) an instrument of transfer dated 14 August 2015 entered into between Mr. Kwong and Mr. Jason Yip for the transfer of 3,000 ordinary shares of Sage City from Mr. Kwong to Mr. Jason Yip, representing 30% of the then total issued share capital of Sage City, at a consideration of US\$3,000;
- (f) bought and sold notes dated 14 August 2015 entered into between Mr. Kwong and Mr. Jason Yip for the transfer of 3,000 ordinary shares of Sage City from Mr. Kwong to Mr. Jason Yip, representing 30% of the then total issued share capital of Sage City, at a consideration of US\$3,000;
- (g) a share sales and purchase agreement dated 14 August 2015 entered into between Sage City and Silver Thrive Investments Limited (“**Silver Thrive**”) whereby Silver Thrive as purchaser acquired 550 ordinary shares of Victor Ease from Sage City, representing 5.5% of the then total issued share capital of Victor Ease, at a consideration of HK\$5,142,500;
- (h) a share sales and purchase agreement dated 14 August 2015 entered into between Sage City and Speedtown Limited (“**Speedtown**”) whereby Speedtown as purchaser acquired 366 ordinary shares of Victor Ease from Sage City, representing 3.66% of the then total issued share capital of Victor Ease, at a consideration of HK\$3,422,100;
- (i) a share sales and purchase agreement dated 14 August 2015 entered into between Sage City and Marine Assets Holding Limited (“**Marine Assets**”) whereby Marine Assets as purchaser acquired 367 ordinary shares of Victor Ease from Sage City, representing 3.67% of the then total issued share capital of Victor Ease, at a consideration of HK\$3,431,450;
- (j) a share sales and purchase agreement dated 14 August 2015 entered into between Sage City and United Solutions International Limited (“**United Solutions**”) whereby United Solutions as purchaser acquired 367 ordinary shares of Victor Ease from Sage City, representing 3.67% of the then total issued share capital of Victor Ease, at a consideration of HK\$3,431,450;
- (k) a share swap agreement dated 16 June 2016 entered into between Sage City, Silver Thrive, Speedtown, Marine Assets, United Solutions and the Company whereby the Company as purchaser acquired 8,350, 550, 366, 367 and 367 ordinary shares of Victor Ease from Sage City, Silver Thrive, Speedtown, Marine Assets and United Solutions respectively, in aggregate representing 100% of the then total share capital of Victor Ease, at considerations of for which 8,349, 550, 366, 367 and 367 consideration shares of were allotted to Sage City, Silver Thrive, Speedtown, Marine Assets and United Solutions respectively, all credited as fully paid;
- (l) a deed of indemnity dated 24 September 2016 and executed by Mr. Kwong and Sage City each in favour of the Company (for itself and on behalf of its subsidiaries) containing indemnities referred to in the paragraph headed “Tax and other indemnities” in Appendix IV to the Prospectus;

- (m) a deed of non-competition dated 24 September 2016 and executed by Mr. Kwong and Sage City each in favour of the Company (for itself and on behalf of its subsidiaries), details of which are set out in the paragraph headed “Deed of Non-competition” under the section headed “Relationship with Controlling Shareholders” in the Prospectus;
- (n) a public offer underwriting agreement dated 29 September 2016 entered into, among others, the Company, the controlling shareholders, the executive directors, the sponsor, the joint lead managers and the public offer underwriters, as further described in section headed “Underwriting — Public Offer underwriting arrangements and expenses” in the Prospectus;
- (o) a placing underwriting agreement dated 6 October 2016 entered into by, among others, the Company, the controlling shareholders, the executive directors, the sponsor, the joint lead managers and the placing underwriters, as further described in the section headed “Underwriting — Placing” in the Prospectus;
- (p) the Preliminary Agreement; and
- (q) the Formal Agreement.

8. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinions or advice for inclusion in this circular:

| Name | Qualification |
|--------------------------------------|-----------------------|
| LCH (Asia-Pacific) Surveyors Limited | Professional Surveyor |

The above expert has given and has not withdrawn its written consent to the issuer of this circular with the inclusion of its letters, reports and/or opinion, as the case may be, and references to its name in the form and context in which they respectively appear.

As the Latest Practicable Date, the above expert did 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 the Latest Practicable Date, the above expert did not have, directly or indirectly, any interest in any assets which had since 31 March 2016 (being the date to which the latest published audited consolidated accounts of the Group were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any members of the Group.

9. MISCELLANEOUS

- (a) The registered office of the Company is situated at PO Box 309, Uglan House, Grand Cayman KY1-1104, Cayman Islands.
- (b) The head office and principal place of business in Hong Kong of the Company is situated at Office J on 11th Floor, No.3 On Kwan Street, Sha Tin, New Territories, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) The company secretary of the Company is Miss Tse Ka Wing. She is currently a practising member of the Hong Kong Institute of Certified Public Accountants (HKICPA).
- (e) The compliance officer of the Company is Mr. Kwong Chi Man pursuant to Rule 5.19 of the GEM Listing Rules.
- (f) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Office J on 11th Floor, No.3 On Kwan Street, Sha Tin, New Territories, Hong Kong during normal business hours on any business day (except Saturdays and public holidays) from the date of this circular up to 14 days thereafter:

- (a) the articles of association of the Company;
- (b) the Prospectus;
- (c) the interim report for the six months ended 30 September 2016 of the Company dated 11 November 2016;
- (d) the third quarterly report for the nine months ended 31 December 2016 of the Company dated 9 February 2017;
- (e) the valuation report of the Property issued by LCH (Asia-Pacific) Surveyors Limited, the text of which is set out in Appendix II of this circular;
- (f) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;
- (g) the written consent issued by LCH (Asia-Pacific) Surveyors Limited as referred to in the paragraph headed "Expert and Consent" in this appendix; and
- (h) this circular.