THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities in the Company.

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

中 達 金 融 集 團 有 限 公 司

Central Wealth Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

MAJOR TRANSACTION:
THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS OF THE TARGET COMPANY
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting of the Company to be held at Room 912, 9/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 30 June 2016 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place) is set out on pages 91 to 92 of this circular. A form of proxy for use at the extraordinary general meeting is enclosed with this circular, which is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company.

Whether or not you are able to attend the extraordinary general meeting, you are advised to read the notice and to complete and return the form of proxy, in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time fixed for holding the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting or any adjournment thereof should you so wish.

31 May 2016

CONTENTS

DEFINITIONS

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

"Acquisition"	the acquisition by the Purchaser of the Sale Share and the Sale Loan subject to and upon the terms and conditions of the Sale and Purchase Agreement
"associates"	has the meaning ascribed to this term under the Listing Rules
"Bank Loan"	the outstanding bank loan owed by the Target Company to bank, which shall not exceed HKD117,000,000 upon Completion
"Board"	the board of Directors from time to time
"Business Day"	a day (other than a Saturday, Sunday or public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"Company"	Central Wealth Financial Group Limited (formerly known as China For You Group Company Limited), a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the Acquisition in accordance with the Sale and Purchase Agreement
"Consideration Shares"	640,000,000 Shares to be allotted and issued by the Company at the Issue Price to the Vendor (or as it may direct) pursuant to the terms of the Sale and Purchase Agreement
"Directors"	directors of the Company
"EGM"	the extraordinary general meeting of the Company to be held and convened to consider and approve the Acquisition
"Enlarged Group"	the Group as enlarged by the Acquisition

"Group"	the Company and its subsidiaries
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons of the Company in accordance with the Listing Rules
"Issue Price"	the issue price of HKD0.125 per Consideration Share
"Latest Practicable Date"	26 May 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for the inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"MOU"	the memorandum of understanding dated 7 January 2016 between the Sky Eagle Global Limited, a wholly-owned subsidiary of the Company and a fellow subsidiary of the Purchaser and the Vendor relating to the Acquisition
"PRC"	the People's Republic of China
"Promissory Notes"	the promissory notes in the principal amount of HKD5,000,000 to be issued by the Purchaser to the Vendor upon Completion
"Property"	the property located at No. 19, Cumberland Road, Kowloon, Hong Kong
"Purchaser"	Skypark Developments Limited, purchaser to the Sale and Purchase Agreement, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company

"Sale and Purchase Agreement"	the sale and purchase agreement dated 2 February 2016 and entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Share and the Sale Loan
"Sale Loan"	all obligations, liabilities and debts owing or incurred by the Target Company to the Vendor and its associates on or at any time prior to Completion whether actual, contingent or deferred and irrespective of whether the same is due and payable on Completion
"Sale Share"	one (1) share in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of HKD0.001 each in the capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Chinacorp (HK) Investment Limited, a company incorporated in Hong Kong with limited liability
"Vendor"	Eternal Vantage Investment Limited, a company incorporated in Hong Kong with limited liability
"VSA Vendor"	the vendor of the very substantial acquisition on the part of the Company as announced on 17 August 2015
"%"	per cent.

中達金融集團有限公司
Central Wealth Financial Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 572)

Executive Directors:
Siu Yun Fat
Lau Fai Lawrence
Yang Yang
Yu Qingrui

Independent non-executive Directors:
Chan Yee Por Simon
Siu Siu Ling, Robert
Tam Tak Wah

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

Head office and principal place of business in Hong Kong:
Room 912, 9/F.
New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East, Kowloon
Hong Kong

31 May 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION: THE ACQUISITION OF THE ENTIRE EQUITY INTERESTS OF THE TARGET COMPANY

INTRODUCTION

The Board announced that on 2 February 2016 (after trading hours), the Purchaser, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor in relation to the acquisition of the Sale Shares and the Sale Loan by the Purchaser for an aggregate consideration of HKD117,000,000, of which the Deposit of HKD32,000,000 has been satisfied in cash and the remaining balance of HKD85,000,000 will be satisfied by the allotment and issue of the 640,000,000 Consideration Shares amounting to HKD80,000,000 and the Promissory Notes amounting to HKD5,000,000 to the Vendor upon Completion.

As the relevant percentage ratios exceed 25% but are below 100%, the Acquisition constitutes a major transaction on the part of the Company under Chapter 14 of the Listing Rules and is subject to, among others, the approval of the Shareholders at the EGM.

The purpose of this circular is to provide you with further details of the Acquisition, the accountants' report on the Target Company, the valuation report on the Property and the notice of EGM.

SALE AND PURCHASE AGREEMENT

Date: 2 February 2016 (after trading hours)

Parties: (1) The Vendor

(2) The Purchaser

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owner are Independent Third Parties and save for holding the Target Company, the Vendor does not have other significant assets.

The ultimate beneficial owner of the Vendor was known to the Directors during previous business occasion.

In 2014, a company owned as to 50% by the ultimate beneficial owner of the Vendor had granted loan facilities up to HKD20,000,000 to the Company and approximately HKD8 million under the loan facilities was drawn by the Company and have been subsequently repaid accordingly. On 30 April 2015, Globally Finance Limited, a wholly owned subsidiary of the Company which is principally engaged in money lending business in Hong Kong, had made advances the ultimate beneficial owner of the Vendor in the ordinary course of business of Globally Finance Limited. Those advances were fully settled and repaid.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the ultimate beneficial owner of the Vendor is a merchant and also niece of the ultimate beneficial owner of the VSA Vendor, who in turn is a substantial shareholder of Skyway Securities Group Limited (Stock Code: 1141) ("**Skyway Securities**", together with its subsidiaries as "**Skyway Group**").

As disclosed in the announcement of the Company dated 17 August 2015, the Company announced a very substantial acquisition relating to the acquisition of a Hong Kong property with the VSA Vendor. As disclosed in the announcement of the Company dated 4 March 2016, the Company entered into a conditional sale and purchase agreement with the Skyway Group relating to a very substantial disposal and major transaction regarding the disposal of the subject property, pursuant to which Skyway Securities will allot and issue 1,300,000,000 consideration shares of HKD0.01 each in the share capital of Skyway Securities at the issue price of HKD0.14 per consideration share to the Company. Skyway Securities Investment Limited, a subsidiary of Skyway Securities, did also act as a placing agent for the Company for placing activities as announced 19 May 2015, 26 June 2015 and 22 September 2015 respectively.

Whilst Mr. Tam Tak Wah and Mr. Siu Siu Ling, Robert, both being independent non-executive Directors, are also common directors of Skyway Securities, as they were not involved in the negotiations of the terms of the Acquisition and have no relationship with the Vendor and have no material interest in the Acquisition and do not require to abstain from voting on the relevant board resolutions approving the Acquisition.

Save as disclosed above, the Vendor and its associates have no current or prior relationship or business arrangement with the Group.

The Purchaser is a wholly owned subsidiary of the Company incorporated in the British Virgin Islands and is principally engaged in investment holding.

Asset to be acquired:

Pursuant to the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell (i) the Sale Share comprising one (1) share in the share capital of the Target Company, representing 100% of the entire issued share capital of the Target Company; and (ii) the Sale Loan.

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. The only significant asset of the Target Company is the Property.

Consideration:

The total consideration for the Acquisition (which shall include both the Sale Share and the Sale Loan) is HKD117,000,000, which shall be satisfied by the Purchaser in the following manner:

(a) as to HKD32,000,000, being the refundable deposit (the "**Deposit**") and the part payment towards the consideration for the sale and purchase of the Sale Share and the Sale Loan, has been satisfied in cash under the MOU;

(b) as to HKD80,000,000, which shall be payable by the Purchaser by procuring the Company to issue and allot of the 640,000,000 Consideration Shares at the Issue Price of HKD0.125 per Consideration Share to the Vendor upon Completion; and

(c) as to the remaining balance of HKD5,000,000, which shall be payable by the Purchaser by issue the Promissory Notes in the principal amount of HKD5,000,000 to the Vendor upon Completion.

The consideration was determined after arm's length negotiations between the parties to the Sale and Purchase Agreement with reference to, among others, (i) the preliminary property valuation of the Property of HKD240,000,000; and (ii) the outstanding Bank Loan of the Target Company upon Completion shall not exceed HKD117,000,000, which represent a difference of more than the total consideration. The Directors (including the independent non-executive Directors) consider the consideration of the Acquisition to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. As at 31 December 2015, the Sale Loan amounts approximately HKD82 million and by the Target Company to the Vendor and is unsecured, interest free and repayable upon demand. On 22 January 2016, the bank has granted the Bank Loan of HKD116,900,000 to the Target Company, which is secured by the Property and bear interest at lower of HKD Prime Rate – 2.5% and HIBOR (1 month) +2.5% per annum. As at the Latest Practicable Date, the Bank Loan remains at approximately HKD116,000,000. As the Target Company will become a wholly owned subsidiary of the Group upon Completion, the Group will bear the Bank Loan and shall be responsible for the repayment of the Bank Loan. The proceeds of the Bank Loan was paid to the Vendor on 22 January 2016 to settle the Sale Loan due by the Target Company to the Vendor of approximately HKD82 million. Accordingly, there was no Sale Loan outstanding as at the date of the Sale and Purchase Agreement and as at the Latest Practicable Date. The balance of approximately HKD35 million, being advance to the Vendor, would be waived by the Target Company on or before Completion and would not be repaid by the Vendor. The waiver of such advance to the Vendor is consistent with the purpose of the Acquisition that the Group will acquire the Property with the Bank Loan but not together with the advance to the Vendor. The consideration is determined by way of deduction of the preliminary valuation of the Property of HKD240,000,000 less the outstanding Bank Loan amount of not more than HKD117,000,000.

The preliminary valuation of the Property was carried out by A.G. Wilkinson & Associates (Surveyors) Limited, an independent surveyor to the Company and the date of preliminary valuation was 2 February 2016. The valuer valued the Property by comparison method with reference to comparable market transactions as reported in the market at similar locations. Please also refer to the valuation report on the Property set out in Appendix V of this circular.

In the event that Completion does not take place on or before the Completion Date, or such later date as the Vendor and the Purchaser may agree in writing, the Vendor shall refund the Deposit in full to the Purchaser.

The Consideration Shares

The Issue Price of HKD0.125 per Consideration Shares represents:

(a) a discount of approximately 5.30% to the closing price of HKD0.132 per Share as quoted on the Stock Exchange on 2 February 2016, being the date of the Sale and Purchase Agreement;

(b) a discount of approximately 8.76% to the average of the closing prices of HKD0.137 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 1 February 2016;

(c) a discount of approximately 47.03% to the closing price of HKD0.236 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(d) a premium of approximately 68.24% to the net asset value per Share of approximately HKD0.074 per Share based on the net asset value of the Group of approximately HKD429,219,000 as at 31 December 2015.

The Issue Price was arrived at after arm's length negotiations between the Purchaser and the Vendor with reference to the current market price and the net asset value per Share. The Directors (including the independent non-executive Directors) consider that the Issue Price is fair and reasonable and in the interests of the Shareholders as a whole.

The allotment and issue of the Consideration Shares are subject to the passing of the ordinary resolution(s) by the Shareholders at the EGM approving and authorising the Sale and Purchase Agreement and the transactions contemplated thereby, including but not limited to the allotment and issue of the Consideration Shares.

The 640,000,000 Consideration Shares to be allotted and issued, assuming there will not be any issue or repurchase of new Shares prior to Completion, will represent approximately 11.08% of the existing issued share capital of the Company and approximately 9.97% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. The allotment and issue of the Consideration Shares will not result in a change in control (as defined in the Takeovers Code) of the Company.

The Consideration Shares when allotted and issued, will rank *pari passu* in all respects with each other and with the Shares in issue on the date of allotment and issue of the Consideration Shares.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares will be allotted and issued under the specific mandate to be sought at the EGM.

CHANGES OF SHAREHOLDING STRUCTURE

Assuming that there is no allotment and issue of new Shares of the Company from the Latest Practicable Date to the Completion Date, the changes of the shareholding structure of the Company as a result of the issue and allotment of Consideration Shares are as follows:

Shareholders	**As at the Latest Practicable Date and immediately before Completion**		**Immediately after Completion**	
	Number of issued Shares	*Approximate Percentage*	*Number of issued Shares*	*Approximate Percentage*
Chinese Top Holdings Limited	615,820,000	10.66%	615,820,000	9.60%
The Vendor	–	–	640,000,000	9.97%
Other Shareholders	5,161,767,998	89.34%	5,161,767,998	80.43%
Total:	5,777,587,998	100.00%	6,417,587,998	100.00%

The Promissory Notes

The terms of the Promissory Notes have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer

The Purchaser

Principal amount

HKD5,000,000

Interest

The Promissory Notes will carry interest at the interest rate of 2% per annum. Interest shall be payable semi-annually in arrears.

The interest rate was determined after arm's length negotiations with reference to the lending rate of loans of financial institutions. The lending rate of loans of financial institutions would generally be equivalent or higher than the interest rate of the Promissory Notes. As such, the Company is of the view that the interest rate of the Promissory Notes is fair and reasonable.

Maturity

A fixed term of two years from the date of issue of the Promissory Notes.

Early repayment

The Purchaser could, at its option, early repay the Promissory Notes with outstanding interest accrued thereon in whole or in part in integral multiples of principal amount of HKD1 million by giving a prior ten Business Days' written notice to the Vendor.

Transferability

The Promissory Notes are transferrable in integral multiples of principal amount of HKD1 million.

Conditions

The Acquisition is conditional upon the satisfaction of the following:

(a) the Purchaser being satisfied with the results of the due diligence review in particular the review of the assets, liabilities, operations and affairs of the Target Company as the Purchaser may reasonably consider appropriate;

(b) the Purchaser being satisfied that there are no title defects to the Property and it is free from all encumbrances;

(c) production of written evidence by the Vendor to the satisfaction of the Purchaser that all debts and liabilities of the Target Company (other than the Sale Loan and the Bank Loan which shall not exceed HKD117,000,000 and other normal accruals in the ordinary course of business of the Target Company and acceptable by the Purchaser) having been discharged, released, waived or extinguished;

(d) all necessary consents and approvals required to be obtained on the part of the Purchaser, the Vendor and the Target Company in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(e) the passing by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules at a general meeting of the Company to be convened and held of the necessary ordinary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereby (including but not limited to the issue and allotment of the Consideration Shares), and all other consents and acts required to be obtained by the Purchaser under the Listing Rules and/or other applicable laws and regulations having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;

(f) the warranties provided by the Vendor under the Sale and Purchase Agreement remaining true, accurate and complete in all respects;

(g) the despatch of the circular by the Company in respect of the Acquisition as required under the Listing Rules;

(h) the Purchaser being satisfied that there has not been any material adverse change in respect of the Target Company since the date of the Sale and Purchase Agreement; and

(i) the Stock Exchange granting the listing of and permission to deal in the Consideration Shares.

The Purchaser may at any time at its absolute and sole discretion waive in writing the conditions (a), (b), (f) and/or (h) set out above. The other conditions set out above are incapable of being waived. The Purchaser has no current intention to waive any conditions. If the conditions set out above have not been satisfied on or before 31 May 2016, or such later date as the Vendor and the Purchaser may agree in writing (the "**Long Stop Date**"), subject to the refund of Deposit to the Purchaser, the Sale and Purchase Agreement shall cease and terminate and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies thereafter. On 27 May 2016, the Vendor and the Purchaser entered into an extension letter to extend the Long Stop Date to 31 July 2016 or such later date as the Vendor and the Purchaser may agree in writing.

As at the Latest Practicable Date, none of the conditions have been fulfilled and/or waived.

Completion

Completion is expected to take place on the fifth Business Day after the fulfilment (or waiver) of the conditions (or such later date as the parties to the Sale and Purchase Agreement may agree) (the "**Completion Date**") mentioned above.

Upon Completion, the Target Company will become an indirect wholly owned subsidiary of the Company and the financial results of the Target Company will be consolidated with the Group.

INFORMATION ON THE TARGET COMPANY AND THE PROPERTY

The Target Company is a company incorporated in Hong Kong with limited liability and is principally engaged in property investment. Immediately prior to the entering into of the Sale and Purchase Agreement, the Target Company is held as to 100% by the Vendor. After Completion of the Acquisition, the Purchaser shall be interested in the entire issued share capital of the Target Company.

The Target Company is currently holding the Property located at No. 19, Cumberland Road, Kowloon, Hong Kong. The Property is a house with saleable area of approximately 5,808 sq. ft. The Property comprises a 2-storey detached house. Based on the land search record, the Property was acquired by the Target Company in 2007 with a consideration of HKD83,000,000. The vendor will deliver the Property at vacant possession upon Completion.

Set below is the financial information of the Target Company:

	For the year ended 31 December 2014	**For the year ended 31 December 2015**
	HKD'000	*HKD'000*
	(Audited)	(Audited)
Profit before taxation	27,874	1,550
Profit after taxation	27,874	1,550
Net assets	162,586	164,136

The net profits of the Target Company for the years ended 31 December 2014 and 2015 were primarily due to the change in fair value of the Property.

As at the Latest Practicable Date, the net assets value of the Target Company is approximately HKD157 million.

Please also refer to the valuation report of the Property as set out in Appendix V of this circular.

REASONS FOR THE ACQUISITION

The Group is principally engaged in (a) trading and related services; (b) investment in listed securities and properties in Hong Kong; and (c) money lending business in Hong Kong.

The Directors have been proactive in seeking appropriate investment opportunities to increase the return to the Shareholders. Given that the aggregate of both the consideration under the Sale and Purchase Agreement and the Bank Loan represents a discount to the preliminary valuation of the Property, the Board considers that the Acquisition represents an appropriate investment opportunity. It is the intention of the Group to lease out the Property after Completion, which will allow the Group to have stable rental income.

While the recent property market in Hong Kong is subject to fluctuations as a result of the uncertainty in the global economic environment, the Board considers that there remain investment opportunities existing in the market and the local bank interest rate remains at a relatively low level.

The Directors considered that the Acquisition represents an investment opportunity to participate in Hong Kong property investment market and the future tenancy agreement will provide stable income for the Group while at the same time the Group will have the benefits from the long term appreciation of the price in luxurious properties in Hong Kong. Whilst there is no tenancy agreement secured by the Group in respect of the Property as at the Latest Practicable Date, the Group has consulted with relevant estate agency and understands that there are sufficient rental demand for properties in Kowloon Tong area. The Company is experienced in seeking potential tenants and understand that there are rigid retal demand in the area. In light of the shortage of supply of new luxurious Property in Kowloon Tong area, the Company considers that there is potential in the future growth in both rental demand and capital value of the Property. Therefore, the Board considers that there would be no significant difficulty for the Group to secure a tenancy agreement after Completion.

In light of the uncertainty in the property market trend in Hong Kong as demonstrated by the valuations of the Property, the Company is of the view that whilst there would still exist investment opportunities such as the Acquisition, the Group should be prudent to avoid putting all eggs in the same basket. Given that the value of the subject property of the disposal as announced on 4 March 2016 (the "**Disposal**") would exceed HKD400 million and the value of the Property being HKD240 million, the Directors are of the view that the Acquisition with the Disposal will allow the Group to reallocate its resources and rearrange its investment portfolio.

It is noted that under the Acquisition Agreement, the Group need not pay the entire consideration sum in cash at completion and this will allow the Group to have cash reserves for its future business development. Whilst the Issue Price per Consideration Share represents a discount to the market price, the Issue Price is much higher that the net asset value per Share and the Vendor is unwilling to pay more than the Issue Price for the Consideration Shares. Whilst the Company has taken into consideration of other ways of settlement such as cash settlement or settlement the whole consideration by way of promissory notes, the company considers that the issue and allotment of the consideration shares at a price higher than the net asset value would allow the Group to preserve its cash for its future business development. It is noted that the Group has cash balance of approximately HKD98,114,000 as at 31 December 2015 and the Board considers that it will not be appropriate to utilise all cash of the Group for the Acquisition. Whilst the Group has considered other alternatives such as promissory notes, the Board considers that it will increase the gearing of the Group and the Group will also have to bear additional interest expenses. As such, whilst the Issue Price is at a discount to the current market price, having taking into consideration of the investment opportunity and other alternatives to settle the consideration, the Board considers that the issue of Consideration Shares to settle part of the consideration is fair and reasonable.

The Board will monitor the property investments portfolio of the Group and also the market development and will reallocate resources of the Group in order to maximize the return to the Shareholders.

Whilst the Hong Kong property market has been sluggish in the past year as demonstrated by the valuation of the Property drops from HKD246,000,000 as at 31 December 2015 to HKD240,000,000 as at the date of the valuation report, the Company considers that there will still be rooms for future appreciations in value of the Property in the long term or indicated by the fact that the Centra-City Leading Index has been double since 1994. Further, this can be demonstrated by the fact that the fair value of the Property increased from approximately HKD212,000,000 as at 31 December 2013 to HKD240,000,000 as at the date of the valuation report. It is noted by the Board that the supply of new luxurious properties in Kowloon Tong area is limited, with the further fact that the luxurious property market is relatively less affected by the economy, the Company has the confidence of the future appreciation of the luxurious property market in the long term. The Board believes that there are continuous demand for housing. With the potential of future appreciation in value of the Property and there are no immediate future cash outflow for the Acquisition, the Board considers that it is an appropriate time to invest in the Property.

The Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement are on normal commercial terms and fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated with those of the Group in accordance with applicable accounting standards.

Effect on assets and liabilities

According to the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to this circular, assuming that Completion had taken place on 31 December 2015, the total assets would increase by approximately HKD205,965,000 to HKD844,967,000. The total liabilities would increase by approximately HKD121,929,000 to approximately HKD331,716,000.

Effect on earnings

In light of the future income from the future tenancy agreement and the potential appreciation in value of the Property, the Directors are of the view that the Acquisition will be likely to have a positive impact on the future earnings of the Enlarged Group in the long run.

FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The management of the Company has directed its resources on exploring opportunities in trading business and related services and treasury business including securities trading and money lending business so as to create long-term value for its shareholders. The Board believes that the business performance of the Group will be further improved.

In respect of the trading business, the Group will continue to explore this trading business in order to diversify the products portfolio. The Group has traded health products, beauty equipment and female cosmetic products of approximately HKD34,750,000 for the year ended 31 December 2015. The Group has no particular products portfolio and will depend upon the requests of its customers to provide matching services.

In respect of the securities trading, the Group is optimistic on the economic growth in China and believes that Hong Kong would also be benefited. Therefore, it is expected that the Group will continue to invest in the Hong Kong equity market by enhancing the use of the surplus working capital and will continue to seek attractive investment opportunities with the aim of deriving dividend income and/or gain from trading of listed securities.

In respect of the money lending business, due to the nature of Hong Kong's loan market, the demand of loan is expected to increase substantially. The Board believes that the money lending business will give the Group an opportunity to obtain a higher return for the fund under the current low interest rate environment and will generate satisfactory revenue for the Group.

The Group is optimistic that the trading business and treasury business (i.e. trading of listed securities and money lending) will have positive gross profit and will generate positive cash flow from operations.

While the recent property market in Hong Kong is subject to fluctuations as a result of the uncertainty in the global economic environment, the Board considers that there remain investment opportunities existing in the market and the local bank interest rate remains at a relatively low level. The Directors considered that the Acquisition represents an investment opportunity to participate in Hong Kong property investment market and the future tenancy agreement will provide stable income for the Group while at the same time the Group will have the benefits from the long term appreciation of the price in luxurious properties in Hong Kong. It is noted that under the Acquisition Agreement, the Group need not pay the entire consideration sum in cash at completion and this will allow the Group to have cash reserves for its future business development.

The Board will monitor the investment property portfolio of the Group and also the market development and will reallocate resources of the Group in order to maximize the return to the shareholders.

Other than the existing business as named hereinabove which is on an on-going basis, the management will explore other business opportunities to diversify its business portfolio with a view to broaden its income stream which shall be in the best interests of the Company and its shareholders as a whole.

As at the Latest Practicable Date, the Company has not yet identified the other business opportunities. The Company will comply with the Listing Rules and make announcement(s) as and when appropriate when any agreement or arrangement on potential fund raising activities or any potential acquisition in relation to such business opportunities are entered into.

LISTING RULES IMPLICATIONS

The Acquisition constitutes a major transaction on the part of the Company under the Listing Rules and is therefore subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

EGM

The EGM will be held on at Room 912, 9/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 30 June 2016 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place), for the purpose of considering, and if thought fit, approving the Sale and Purchase Agreement and the transactions contemplated thereunder. A notice convening the EGM is set out on pages 91 to 92 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM if you so wish.

As no Shareholder has an interest in the Sale and Purchase Agreement that is materially different from other Shareholders, no Shareholder is required to abstain from voting at the EGM in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder.

RECOMMENDATION

The Directors consider the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolution to be proposed at the EGM for approving the Sale and Purchase Agreement and the transactions contemplated thereunder, including but not limited to the issue and allotment of the Consideration Shares.

FURTHER INFORMATION

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

By order of the Board
CENTRAL WEALTH FINANCIAL GROUP LIMITED
Siu Yun Fat
Chairman

I. FINANCIAL SUMMARY

The financial information of the Group for (i) for the year ended 31 December 2013 is disclosed in the annual report of the Company for the year ended 31 December 2013 published on 29 April 2014, from pages 24 to 87; (ii) the year ended 31 December 2014 is disclosed in the annual report of the Company for the year ended 31 December 2014 published on 27 April 2015, from page 26 to 91, and (iii) the year ended 31 December 2015 is disclosed in the annual report of the Company for the year ended 31 December 2015 published on 25 April 2016 from page 36 to 117, all of which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.centralwealth.com.hk).

II. INDEBTEDNESS

As at the close of business on 31 March 2016, being the latest practicable date for the purpose this indebtedness statement, the indebtedness of the Enlarged Group was as follows:

The Group

Securities

At the close of business on 31 March 2016, the investment property of the Group, with a carrying amount of approximately HKD403,000,000 as at 31 December 2015, was pledged to the bank for the bank borrowing.

Secured bank borrowings

At the close of business on 31 March 2016, the Group had outstanding bank borrowings of approximately HKD185,287,000 which contained a repayment on demand clause, and were secured by the Group's investment property. The Group's secured bank borrowings bear interest at range of HKD Prime Rate – 1.75% and HIBOR (1 month) + 2% per annum.

Save as aforesaid and apart from the aforementioned, the bank borrowings of approximately HKD185,287,000 were guaranteed.

Commitments

At the close of business on 31 March 2016, the Group had no finance lease commitments against the Group's assets.

Contingent liabilities

Litigation

The alleged guarantee and the claim

In December 2013, the Board received demand letter from alleged creditors of two companies, requesting the Company, being the alleged guarantor of debts in the total sum of approximately RMB842 million owed by two companies (the "**Alleged Creditors**") unknown to the Company (the "**Alleged Guarantees**"), to settle the alleged debts on or before 11 December 2013, and forewarning that, failing which, the Alleged Creditors would take legal action against the Company.

On 14 January 2014, the Company received a writ of summons and statement of claim issued by 廣東省金屬回收公司 (Guangdong Metal Recycling Corporation*) ("**GMRC**"), one of the two Alleged Creditors in relation to the Alleged Guarantees, against: (i) Able Success Asia Limited as 1st defendant; (ii) Mr. He Jianhong as the 2nd defendant; and (iii) the Company as the 3rd defendant, claiming an aggregate sum of approximately RMB644 million (the "**Claim**").

As disclosed in the announcement of the Company dated 25 April 2016, the High Court action in relation to the Claim by GMRC against the Company has been discontinued.

The Company is of the view that the Claim by GMRC will have no material adverse impact on the overall business operation and financial position of the Group.

The Target Company

Securities

At the close of business on 31 March 2016, the investment property of the Target Company with a carrying amount of approximately HKD246,000,000 as at 31 December 2015, was pledged to the bank for the bank borrowing.

Secured bank borrowing

At the close of business on 31 March 2016, the Target Company had outstanding bank borrowing of approximately HKD116,474,000, which contained a repayment on demand clause, and were secured by the Target Company's investment property. The Target Company's secured bank borrowing bear interest at range of HKD Prime Rate – 2.5% and HIBOR (1 month) + 2.5% per annum.

Save as aforesaid and apart from the aforementioned, the bank borrowing of approximately HKD116,474,000 was guaranteed.

Disclaimer

Save as aforesaid or as otherwise mentioned herein, and apart from intra-group liabilities, the Enlarged Group did not have any outstanding borrowings, mortgages, charges, debentures, loan capital and overdraft, debt securities or other similar indebtedness, finance leases or hire purchase commitment, liabilities under acceptances or acceptance credits or any guarantees or other material contingent liabilities as at the close of business on 31 March 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular.

Save as aforesaid, the Directors are not aware of any material changes in the indebtedness, contingent liabilities and commitments of the Enlarged Group since 31 March 2016, the date to which the indebtedness statement is made and up to the Latest Practicable Date.

III. WORKING CAPITAL

As at the Latest Practicable Date, the Directors are of the opinion that, in the absence of unforeseeable circumstances and after taking into account the Enlarged Group's financial resources, including internally generated funds and presently available credit facilities, the Enlarged Group has sufficient working capital for its present requirements for the next twelve months from the date of this circular.

IV. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, the date to which the latest audited financial statements of the Group were made up.

31 May 2016

The Board of Directors
Central Wealth Financial Group Limited
Room 912, 9/F
New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East
Kowloon, Hong Kong

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") of Chinacorp (HK) Investment Limited ("Chinacorp") which comprises the statements of financial position of Chinacorp as at 31 December 2013, 2014 and 2015 and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of Chinacorp for each of the years ended 31 December 2013, 2014 and 2015 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information. This Financial Information has been prepared by the sole director of Chinacorp for inclusion in Appendix II to the circular dated 31 May 2016 (the "Circular") issued by Central Wealth Financial Group Limited (the "Company") in connection with its proposed acquisition of the entire issued share capital of Chinacorp and the settlement of the amount due to Eternal Vantage Investment Limited by Chinacorp (the "Transaction").

Chinacorp was incorporated in Hong Kong on 7 July 2006 with limited liability. The address of its registered office and principal place of business is Suite 1203, 12th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong. Chinacorp is principally engaged in property investment.

Chinacorp has adopted 31 December as its financial year and date.

The statutory financial statements of Chinacorp for the years ended 31 December 2013 and 2014 were prepared in accordance with Small and Medium-sized Entity Financial Reporting Framework and Financial Reporting Standard issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and were audited by Patrick Wong C.P.A. Limited, Certified Public Accountants.

No statutory financial statements have been prepared for Chinacorp for the year ended 31 December 2015 as these financial statements are not yet due to issue.

For the purpose of this report, the sole director of Chinacorp has prepared the financial statements of Chinacorp for the Relevant Periods in accordance with accounting policies which conform with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA (the "Underlying Financial Information").

We have undertaken an independent audit on the Underlying Financial Information in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We have also examined the Underlying Financial Information in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information set out in this report has been prepared based on the Underlying Financial Information. Adjustments have been made by us to the Underlying Financial Information in preparing our report for inclusion in the Circular. The preparation of the Underlying Financial Information is the responsibility of the sole director of Chinacorp. The directors of the Company are responsible for the contents of the Circular in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Information, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of Chinacorp as at 31 December 2013, 2014 and 2015, and of Chinacorp's financial performance and cash flows for the years ended 31 December 2013, 2014 and 2015.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 2 to the Financial Information below, which indicate that as at 31 December 2015, Chinacorp's current liabilities exceed its current assets by approximately HKD81,897,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on Chinacorp's ability to continue as a going concern.

The Financial Information have been prepared on a going concern basis, the appropriateness of which is dependent on Chinacorp's ability to generate sufficient working capital to meet its financial requirements. The Financial Information do not include adjustments that may be necessary should Chinacorp fail to finance its future working capital and financial requirements. We consider that adequate disclosures have been made.

(A) FINANCIAL INFORMATION OF CHINACORP (HK) INVESTMENT LIMITED

The following is the financial information of Chinacorp (HK) Investment Limited ("Chinacorp") prepared by the sole director of Chinacorp as at 31 December 2013, 2014 and 2015 and for each of the years ended 31 December 2013, 2014 and 2015.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 December		
		2013	**2014**	**2015**
	Notes	*HKD'000*	*HKD'000*	*HKD'000*
Revenue	*7*	3,840	549	–
Other revenue	*9*	–	1,005	–
Change in fair value of investment property	*15*	8,000	28,000	6,000
Administrative expenses		(85)	(425)	(447)
Written-off of amounts due from related companies	*16*	–	–	(3,816)
Operating profit		11,755	29,129	1,737
Finance costs	*10*	(2,300)	(1,255)	(187)
Profit before tax		9,455	27,874	1,550
Income tax expense	*11*	(214)	–	–
Profit for the year and total comprehensive income for the year	*12*	9,241	27,874	1,550
Dividends	*13*	–	–	–

STATEMENTS OF FINANCIAL POSITION

		At 31 December		
		2013	**2014**	**2015**
	Notes	*HKD'000*	*HKD'000*	*HKD'000*
NON-CURRENT ASSETS				
Property, plant and equipment	*14*	67	50	33
Investment property	*15*	212,000	240,000	246,000
		212,067	240,050	246,033
CURRENT ASSETS				
Deposits		–	28	28
Amounts due from related companies	*16*	1,289	4,089	–
Tax recoverable		63	224	–
Bank balances		2,698	51	–
		4,050	4,392	28
CURRENT LIABILITIES				
Other payables and accrual		848	8	29
Amount due to a related company	*17*	80,557	81,848	–
Amount due to the holding company	*17*	–	–	81,896
		81,405	81,856	81,925
NET CURRENT LIABILITIES		(77,355)	(77,464)	(81,897)
NET ASSETS		134,712	162,586	164,136
CAPITAL AND RESERVE				
Share capital	*18*	1	1	1
Retained earnings		134,711	162,585	164,135
TOTAL EQUITY		134,712	162,586	164,136

STATEMENTS OF CHANGES IN EQUITY

	Share capital	**Retained earnings**	**Total**
	HKD'000	*HKD'000*	*HKD'000*
At 1 January 2013	1	125,470	125,471
Profit for the year and total comprehensive income for the year	–	9,241	9,241
At 31 December 2013	1	134,711	134,712
Profit for the year and total comprehensive income for the year	–	27,874	27,874
At 31 December 2014	1	162,585	162,586
Profit for the year and total comprehensive income for the year	–	1,550	1,550
At 31 December 2015	1	164,135	164,136

STATEMENTS OF CASH FLOWS

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
OPERATING ACTIVITIES			
Profit before tax:	9,455	27,874	1,550
Adjustments for:			
Finance costs	2,300	1,255	187
Depreciation of property, plant and equipment	17	17	17
Changes in fair value of investment property	(8,000)	(28,000)	(6,000)
Written-off of amounts due from related companies	–	–	3,816
Operating cash flows before movements in working capital	3,772	1,146	(430)
Increase in deposits	–	(28)	–
(Increase) decrease in amounts due from related companies	(1,289)	(2,800)	273
(Decrease) increase in other payables and accrual	–	(840)	21
CASH GENERATED FROM (USED IN) OPERATIONS	2,483	(2,522)	(136)
Profit tax paid	(265)	(161)	224
NET CASH FROM (USED IN) OPERATING ACTIVITIES	2,218	(2,683)	88
NET CASH USED IN INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(84)	–	–

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
FINANCING ACTIVITIES			
Increase in amount due to a related company	2,336	1,291	–
Increase in amount due to the holding company	–	–	48
Interest expense paid	(2,300)	(1,255)	(187)
NET CASH FROM (USED IN) FINANCING ACTIVITIES	36	36	(139)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,170	(2,647)	(51)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	528	2,698	51
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR			
Represented by bank balances	2,698	51	–

NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Chinacorp (HK) Investment Limited ("Chinacorp") was incorporated in Hong Kong on 7 July 2006 with limited liability. The address of the registered office and principal place of business is Suite 1203, 12th Floor, Wing On House, 71 Des Voeux Road Central, Hong Kong.

During the years ended 31 December 2013 and 2014, its sole shareholder is Mr. Wong Choi Ping ("Mr. Wong"), who is also the sole director of Chinacorp.

On 23 September 2015, a sale and purchase agreement entered into between Mr. Wong and Eternal Vantage Investment Limited (the "Vendor") pursuant to which Mr. Wong agreed to sell and the Vendor agreed to buy the entire equity interest in Chinacorp (the "Transaction"). The Transaction was completed on 20 November 2015, Mr. Wong ceased to be the shareholder and director of Chinacorp and the Vendor, a limited liability company incorporated in Hong Kong, became the new shareholder and holding company of Chinacorp. Mr. Chen Xiaodong was appointed as the sole director of Chinacorp with effect from 20 November 2015.

The financial information of Chinacorp ("Financial Information") for each of the years ended 31 December 2013, 2014 and 2015 (the "Relevant Periods") is presented in Hong Kong dollars ("HKD"), which is also the functional currency of Chinacorp.

Chinacorp is principally engaged in property investment.

2. BASIS OF PREPARATION

As at 31 December 2015, Chinacorp has net current liabilities of approximately HKD81,897,000. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Chinacorp's ability to continue as a going concern. Therefore, Chinacorp may be unable to realise its assets and discharge its liability in the normal course of business.

The Financial Information has been prepared on a going concern basis, the validity of which depends upon the financial support of the Vendor, at a level sufficient to finance the working capital requirements of Chinacorp. the Vendor has agreed to provide adequate funds for Chinacorp to meet its liabilities as they fall due for the foreseeable future. The sole director of Chinacorp (the "Sole Director") is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. Should Chinacorp be unable to continue as a going concern, adjustments would have to be made to the Financial Information to adjust the value of the assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets as current assets.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Chinacorp has adopted all the HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") which are effective for the accounting period beginning on 1 January 2015 consistently throughout the Relevant Periods.

During the Relevant Periods, Chinacorp has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

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

[1] *Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.*

[2] *Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.*

HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15. The Sole Director anticipates that the application of HKFRS 15 in the future may have a material impact on the amounts reported and disclosures made in Financial Information. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until Chinacorp performs a detailed review.

Amendments to HKAS 16 and HKAS 38 Clarification to Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 *Property, Plant and Equipment* prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to HKAS 38 *Intangible Assets* introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

(a) when the intangible asset is expressed as a measure of revenue; or

(b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, Chinacorp uses the straight-line method for depreciation and amortisation for its property, plant and equipment. The Sole Director believes that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Sole Director anticipates that the application of these amendments to HKAS 16 and HKAS 38 will not have a material impact on the Financial Information.

Except for the above impact, the Sole Director does not anticipate that the application of the other new and amendment to HKFRSs will have any significant impact on Chinacorp's financial performance and financial position.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This Financial Information presents the financial track record of Chinacorp for the three years ended 31 December 2013, 2014 and 2015 and is prepared for the purposes of inclusion in a circular of the Company to its shareholders for the acquisition of Chinacorp, using the principal accounting policies which are materially consistent with those of the Company as applied in the Company's consolidated financial statements for the year ended 31 December 2015.

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules") and by the Hong Kong Companies Ordinance (the "CO").

The Financial Information has been prepared on the historical cost basis, except for investment property that is measured at fair value at the end of each reporting period, as explained in the accounting policies below.

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

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

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

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

The principal accounting policies are set out below:

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for rebates and other similar allowances.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Chinacorp and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Chinacorp's accounting policy for recognition of revenue from operating leases is described in the accounting policy for leasing below.

Leasing

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

Chinacorp as a lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

Property, plant and equipment

Property, plant and equipment are stated in the statements of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is recognised so as to write-off the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

Investment property

Investment property is a property held to earn rentals and/or for capital appreciation.

Investment property is initially measured at cost, including any directly attributable expenditure. Subsequently to initial recognition, investment property is measured at its fair values. All of the Chinacorp's property interests held under operating leases to earn rentals or for capital appreciation purposes are classified and accounted for as investment property and is measured using the fair value model. Gain or loss arising from change in the fair value of investment property is included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognised of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Taxation

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

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

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

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

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

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

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment property that is measured using the fair value model, the carrying amounts of such property is presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

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

Financial instruments

Financial assets and financial liabilities are recognised when Chinacorp becomes a party to the contracted provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets

Financial assets are classified into loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Interest income is recognised on an effective interest basis for debt instruments.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including deposits, amounts due from related companies and bank balances) are measured at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate.

Impairment of financial assets

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

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

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or

- disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

Financial liabilities and equity instruments

Debt and equity instruments issued by Chinacorp are classified as either financial liabilities or as equity in according to the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

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

Financial liabilities at fair value through profit or loss ("FVTPL")

Financial liabilities are classified as at FVTPL when the financial liability is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities and in included in other gains or losses line item.

Other financial liabilities

Financial liabilities including other payables and accrual and amount due to a related company/the holding company are subsequently measured at amortised cost, using the effective interest method.

Effective interest method

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

Interest expense is recognised on an effective interest basis.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by Chinacorp are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

(i) the amount of obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and

(ii) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

Derecognition

Chinacorp derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity. If Chinacorp neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, Chinacorp recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If Chinacorp retains substantially all the risks and rewards of ownership of a transferred financial asset, Chinacorp continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety, Chinacorp allocates the previous carrying amount of the financial asset between the part it continues to recognise, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

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

Impairment on tangible assets

At the end on each reporting period, Chinacorp reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, Chinacorp estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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

Cash and cash equivalents

Bank balances in the statement of financial position comprise cash at bank.

Borrowing costs

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

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of Chinacorp's accounting policies, which are described in Note 4 to the Financial Information, the Sole Director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgement in applying accounting policies

The followings are the critical judgments, apart from those involving estimations (see below), that the Sole Director has made in the process of applying Chinacorp's accounting policies and that have the most significant effect on the amounts recognised in the Financial Information.

Deferred taxation on investment property

For the purposes of measuring deferred tax liabilities or deferred tax assets arising from investment property that are measured using the fair value model, the Sole Director has reviewed Chinacorp's investment property portfolios and concluded Chinacorp's investment property is not held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time. Therefore, in determining Chinacorp's deferred taxation on investment property, the Sole Director has determined that the presumption that the carrying amounts of investment property measured using the fair value model is recovered entirely through sale is not rebutted. Chinacorp has not recognised any deferred taxes on changes in fair value of investment property as Chinacorp is not subject to any income taxes on the fair value changes of the investment property on disposal.

Going concern and liquidity

As explained in Note 2 to the Financial Information, the financial position of Chinacorp indicates the existence of a material uncertainty which may cast significant doubt on Chinacorp's ability to continue as a going concern. The assessment of the going concern assumptions involves making judgement by the Sole Director, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Sole Director considers that Chinacorp has ability to continue as a going concern and the major condition that may cast significant doubt about the going concern assumptions is set out in Note 2 to the Financial Information.

Key sources of estimation uncertainty

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next twelve months from the end of each Relevant Periods.

Fair value of investment property

At the end of the reporting period, investment property is stated at fair value based on the valuation performed by an independent professional valuer. In determining the fair value, the valuer has based on a method of valuation which involves certain estimates of market conditions. In relying on the valuation report, the Sole Director has exercised their judgment and is satisfied that the assumptions used in valuation have reflected the current market conditions. Changes to these assumptions would result in changes in the fair values of Chinacorp's investment property being recognised in profit or loss. The carrying amount of investment property measured at fair value was HKD212,000,000, HKD240,000,000 and HKD246,000,000 at 31 December 2013, 31 December 2014 and 31 December 2015 respectively.

6. CAPITAL RISK MANAGEMENT

Chinacorp manages its capital to ensure that Chinacorp will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. Chinacorp's overall strategy remains unchanged throughout the Relevant Periods.

Chinacorp's equity attributable to equity holder of Chinacorp comprises of issued share capital and retained earnings.

The Sole Director reviews the capital structure on a regular basis. As a part of this review, the Sole Director considers the cost of capital and the associated risk and take appropriate actions to adjust Chinacorp's capital structure.

7. REVENUE

An analysis of Chinacorp's revenue for the Relevant Periods is as follows:

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Property rental income	3,840	549	–

8. SEGMENT INFORMATION

Chinacorp is principally engaged in property investment and no segment information have been prepared by Chinacorp.

Geographical information

In view of the fact that Chinacorp mainly operates in Hong Kong, no geographical segment information is presented.

Information about major customers

During the years ended 31 December 2013 and 2014, all the revenue is received from the same customer.

There was no customer accounting for over 10% of total revenue of Chinacorp during the year ended 31 December 2015.

9. OTHER REVENUE

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Compensation for early termination of rental agreement	–	960	–
Others	–	45	–
	–	1,005	–

10. FINANCE COSTS

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Interest expenses on amount due to a related company	2,300	1,255	187

11. INCOME TAX EXPENSE

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Hong Kong Profits Tax – Current year	214	–	–

Hong Kong profits tax is calculated at 16.5% of estimated assessable profits for the years ended 31 December 2013. No provision for Hong Kong Profits Tax has been made in the Financial Information as Chinacorp did not generate any assessable income during the years ended 31 December 2014 and 2015.

The income tax expense for the Relevant Periods can be reconciled to the profit before income tax per the statements of profit or loss and other comprehensive income as follows:

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Profit before income tax	9,455	27,874	1,550
Income tax at applicable tax rate (16.5%)	1,560	4,599	256
Tax effect of expenses not deductible for tax purpose	–	–	731
Tax effect of income not taxable for tax purpose	(1,320)	(4,620)	(990)
Tax effect of tax losses not recognised	–	37	–
Tax effect of temporary differences not recognised	(16)	(16)	3
Tax reduction for the year	(10)	–	–
Income tax expense	214	–	–

At 31 December 2013, 31 December 2014 and 31 December 2015, Chinacorp had unused tax losses of approximately HKDNil, HKD226,000 and HKD226,000 available to offset against future profits. No deferred tax assets have been recognised in respect of the tax losses due to the unpredictability of future profit streams for the Relevant Periods. No provision for deferred tax liabilities has been made during the Relevant Periods as there were no material temporary differences at the end of each Relevant Periods.

12. PROFIT FOR THE YEAR

	Year ended 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Profit for the year has been arrived at after charging (crediting):			
Director's remuneration	–	–	–
Staff costs	–	–	–
Auditor's remuneration	8	8	29
Gross rental income from investment property	(3,840)	(549)	–
Depreciation of property, plant and equipment	17	17	17

13. DIVIDENDS

No dividend was paid or proposed for ordinary shareholder of Chinacorp during the years ended 31 December 2013, 2014 and 2015, nor has any dividend been proposed since the end of each Relevant Periods.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement
	HKD'000
COST	
At 1 January 2013	–
Additions	84
At 31 December 2013, 2014 and 2015	84
ACCUMULATED DEPRECIATION	
At 1 January 2013	–
Provided for the year	17
At 31 December 2013	17
Provided for the year	17
At 31 December 2014	34
Provided for the year	17
At 31 December 2015	51
CARRYING VALUES	
At 31 December 2015	33
At 31 December 2014	50
At 31 December 2013	67

The above item of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvement	Over the shorter of the lease terms or 20%

15. INVESTMENT PROPERTY

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Fair value			
At 1 January	204,000	212,000	240,000
Increase in fair value recognised in profit or loss	8,000	28,000	6,000
At 31 December	212,000	240,000	246,000

Chinacorp's property interests held under operating lease to earn rentals or for capital appreciation purposes is measured using the fair value model and is classified and accounted for as investment property.

At 31 December 2013 and 31 December 2014, Chinacorp's investment property has been pledged to secure the bank facilities granted to a related company, Far Power Development Limited. The pledge of investment property has been released on 20 November 2015.

Fair value measurement of Chinacorp's investment property

The fair value of Chinacorp's investment property at the end of each of the Relevant Periods have been arrived at on the basis of a valuation carried out on the respective dates by A.G. Wilkinson & Associates (Surveyors) Limited, an independent qualified professional valuer not connected to Chinacorp.

A.G. Wilkinson & Associates (Surveyors) Limited has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

There has been no change from the valuation technique used during the Relevant Periods.

In estimating the fair value of the investment property, the highest and best use of the investment property is the current use.

Details of Chinacorp's investment property and information about the fair value hierarchy as at the end of each Relevant Periods are as follows:

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Investment property:			
Level 2	212,000	240,000	246,000

Valuation techniques and inputs used in Level 2 fair value measurements of investment property:

The fair values of investment property located in Hong Kong is determined using direct comparable approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available. A significant increase in the transaction price would result in a significant increase in fair value, and vice versa.

16. AMOUNTS DUE FROM RELATED COMPANIES

		At 31 December		
	Name of common director	**2013**	**2014**	**2015**
		HKD'000	*HKD'000*	*HKD'000*
Million Sea (China) Limited	Mr. Wong	1,289	1,289	–
Vampio Limited	Mr. Wong	–	2,800	–
		1,289	4,089	–

At 31 December 2013 and 2014, the amounts due from related companies, in which the former director of Chinacorp, Mr. Wong, also has control, are unsecured, interest free and repayable on demand.

Mr. Wong ceased to be the sole director of Chinacorp with effect from 20 November 2015. The amounts due from these related companies amounted to approximately HKD3,816,000 were written-off during the year ended 31 December 2015.

17. AMOUNT DUE TO A RELATED COMPANY/THE HOLDING COMPANY

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Amount due to a related company			
Far Power Development Limited ("Far Power")	80,557	81,848	–
Amount due to the holding company			
The Vendor	–	–	81,896

At 31 December 2013 and 2014, the amount due to a related company, in which the former director of Chinacorp, Mr. Wong, also has control, is unsecured, interest bearing at range from 1.533% to 2.855% per annum and repayable on demand.

On 20 November 2015, Chinacorp, Mr. Wong and the Vendor (the "parties") entered into a deed of assignment. Pursuant to the deed of assignment, the parties agree the amount of approximately HKD81,848,000 owed by Chinacorp to Mr. Wong was assigned to the Vendor, in their respective amounts.

At 31 December 2015, the amount due to the holding company is unsecured, interest free and repayable on demand.

18. SHARE CAPITAL

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Authorised:			
10,000 ordinary shares *(Note)*	10	N/A	N/A
Issued and fully paid:			
1 ordinary share *(Note)*	1	1	1

Note:

As at 31 December 2013, the par value per ordinary share was HKD1 each. Chinacorp has no authorised share capital and its share have no par value since the commencement date of CO, Cap. 622 (i.e. 3 March 2014).

19. RELATED PARTY TRANSACTIONS

During the Relevant Periods, Chinacorp entered into the following transactions with a related party:

Name of related company	**Relationship**	**Nature**	**Year ended 31 December**		
			2013	**2014**	**2015**
			HKD'000	*HKD'000*	*HKD'000*
Far Power	Related company, Mr. Wong (former director of Chinacorp) is the common director	Interest expenses on amount due to a related company	2,300	1,255	187

Chinacorp has provided corporate guarantee and its investment property has been pledged to secure the banking facilities with maximum amount of HKD95,000,000, granted from a bank to a related company, Far Power, of which the former director of Chinacorp, Mr. Wong, also has control over Far Power as at 31 December 2013 and 2014. The corporate guarantee and the pledge of investment property have been released on 20 November 2015.

Particulars of corporate guarantee provided to Far Power are as follows:

			Maximum liability under the guarantee		
Name of company	**Relationship**	**Particulars of guarantee**	**At 31 December 2013**	**2014**	**2015**
			HKD'000	*HKD'000*	*HKD'000*
Far Power	Related company, Mr. Wong (former director of Chinacorp) is the common director	Corporate guarantee given to a bank for banking facilities of HKD95,000,000	71,427	20,399	–

20. COMMITMENTS

Operating lease commitment – Chinacorp as lessor

Investment property rental income earned during the year ended 31 December 2013 and 2014 were approximately of HKD3,840,000 and HKD549,000 respectively. The property is expected to generate rental yield of 1.81%. The property held as committed tenant for the next 1 year.

At the end of the Relevant Periods, Chinacorp had contracted with tenant for the following futures minimum lease payments:

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Within one year	2,560	–	–

21. PLEDGE OF ASSETS

Chinacorp's investment property has been pledged to the bank to secure the banking facilities granted from a bank to Far Power, a related company, as at 31 December 2013 and 31 December 2014. The pledge was released on 20 November 2015. Details are disclosed in Note 19 to the Financial Information.

22. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Financial assets			
Loan and receivables			
Deposits	–	28	28
Amounts due from related companies	1,289	4,089	–
Bank balances	2,698	51	–
	3,987	4,168	28
Financial liabilities			
Liabilities measured at amortised cost:			
Other payables and accrual	848	8	29
Amount due to a related company	80,557	81,848	–
Amount due to the holding company	–	–	81,896
	81,405	81,856	81,925

(b) Financial risk management objectives and policies

Chinacorp's major financial instruments include deposits, amounts due from related companies, bank balances, other payables and accrual and amount due to a related company/the holding company. The risks associated with these financial instruments include interest rate risk, credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Interest rate risk

Chinacorp is exposed to cash flow interest rate risk in relation to variable-rate amount due to a related company. The interest rate and repayment terms of the outstanding interest-bearing amount due to a related company during the year ended 31 December 2013 and 2014 are disclosed in Note 17 to the Financial Information.

Chinacorp's exposure to cash flow interest rate risk in relation to bank balances. However, such exposure is minimal to Chinacorp as they are short-term in nature and thus no sensitivity analysis is presented for.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to the interest rates for variable-rate amount due to a related company at the end of each reporting period. The analysis is prepared assuming the financial instruments outstanding at the end of reporting period were outstanding for whole year. A 100 basis points increase or decrease in interest rate is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates for the Relevant Periods.

	At 31 December		
	2013	**2014**	**2015**
	HKD'000	*HKD'000*	*HKD'000*
Decrease (increase) in post-tax profit:			
100 basis points increase	673	683	–
100 basis points decrease	(673)	(683)	–

Credit risk

Chinacorp's maximum exposure to credit risk which will cause a financial loss to Chinacorp due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statements of financial position.

In order to minimise the credit risk, the management of Chinacorp has credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover amounts due from related companies. In addition, Chinacorp reviews the recoverable amount of amounts due from related companies at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the Director considers that Chinacorp's credit risk on amounts due from related companies is significantly reduced.

The credit risk on liquid fund is limited because the counterparties are bank with high credit rating assigned by international credit-rating agencies.

Liquidity risk

In the management of the liquidity risk, Chinacorp monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance Chinacorp's operations and mitigate the effects of fluctuations in cash flows.

At 31 December 2015, Chinacorp has net current liabilities of approximately HKD81,897,000. The adoption of going concern basis has been detailed in Note 2 to the Financial Information. In the opinion of the Sole Director, Chinacorp's exposure to liquidity risk is limited.

The following table details Chinacorp's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which Chinacorp can be required to pay. The maturity date of the non-derivative financial liabilities are based on the agree repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Liquidity tables

	Weighted average interest rate	On demand or within one year	Total contractual undiscounted cash flow	Carrying amounts
		HKD'000	*HKD'000*	*HKD'000*
At 31 December 2013				
Non-derivative financial liabilities				
Other payables and accrual	–	848	848	848
Amount due to a related company	2.855%	82,857	82,857	80,557
		83,705	83,705	81,405
At 31 December 2014				
Non-derivative financial liabilities				
Other payables and accrual	–	8	8	8
Amount due to a related company	1.533%	83,103	83,103	81,848
		83,111	83,111	81,856
At 31 December 2015				
Non-derivative financial liabilities				
Other payables and accrual	–	29	29	29
Amount due to the holding company	–	81,896	81,896	81,896
		81,925	81,925	81,925

(c) Fair value measurements

The Sole Director considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost approximate their fair values.

23. MAJOR NON-CASH TRANSACTIONS

On 20 November 2015, the parties entered into a deed of assignment. Pursuant to the deed of assignment, the parties agree the amount of approximately HKD81,848,000 owed by Chinacorp to Mr. Wong was assigned to the Vendor, in their respective amounts.

24. CONTINGENT LIABILITIES

Chinacorp has provided corporate guarantee to secure the banking facilities with maximum amount of HKD95,000,000 granted from a bank to a related company, Far Power, of which the former director of Chinacorp, Mr. Wong, also have control over Far Power as at 31 December 2013 and 2014. The corporate guarantee has been released on 20 November 2015. Details are disclosed in Note 19 to the Financial Information.

25. EVENTS AFTER THE END OF REPORTING PERIOD

On 22 January 2016, a bank has granted a mortgage loan of HKD116,900,000 to Chinacorp, which contained a repayment on demand clause. This mortgage loan was secured by Chinacorp's investment property and bear interest at lower of HKD Prime Rate – 2.5% and HIBOR (1 month) + 2.5% per annum. The entire mortgage loan was paid to the Vendor to settle the amount due to the Vendor of approximately HKD81,896,000. The balance of approximately HKD35,004,000, being advance to the Vendor, was waived by Chinacorp subsequently.

26. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Chinacorp in respect of any period subsequent to 31 December 2014 and up to the date of this report.

Yours faithfully,

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Lam Chik Tong
Practising Certificate Number: P05612

Suites 313-316, 3/F
Shui On Centre
6-8 Harbour Road
Wan Chai
Hong Kong

Set out below are the management discussion and analysis on the Target Company for the three years ended 31 December 2013, 2014 and 2015.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY FOR THE YEAR ENDED 31 DECEMBER 2013

General Information

The Target Company is a limited company incorporated in Hong Kong. The principal activity of the Company is property investment.

Principal Income Statement Components

Gain from changes in fair values of an investment property

The Target Company held a residential property located in Kowloon Tong. Based on the independent valuation of the investment property as at 31 December 2013, a valuation gain of HKD8,000,000 was recognised.

Rental income

The property was leased out with a monthly rental of HKD320,000. The total rental income amounted to HKD3,840,000 for the year ended 31 December 2013.

Finance cost

The Target Company's finance cost for the year ended 31 December 2013 was approximately HKD2,300,000 in relation to interest paid on the amount due to a related company.

Liquidity and financial resources

Net Assets

As at 31 December 2013, the Target Company recorded total assets of approximately HKD216,117,000 which were financed by liabilities of approximately HKD81,405,000 and equity of approximately HKD134,712,000. The net asset value as at 31 December 2013 was approximately HKD134,712,000.

Amount due to a related company

As at 31 December 2013, the Target Company had the amount due to a related company of approximately HKD80,557,000 which was unsecured, interest bearing at approximately 2.855% per annum and repayable on demand.

Liquidity

The Target Company had total cash and bank balances of approximately HKD2,698,000 as at 31 December 2013. The gearing ratio of the Target Company as at 31 December 2013, calculated as a ratio of amount due to a related company to total equity was approximately 0.60. Net assets were approximately HKD134,712,000.

The Target Company recorded total current assets of approximately HKD4,050,000 as at 31 December 2013 and total current liabilities of approximately HKD81,405,000. The current ratio of the Target Company, calculated by dividing total current assets by total current liabilities was approximately 0.050 as at 31 December 2013.

Charges on assets

At 31 December 2013, the Target Company has pledged its investment property with a carrying amount of HKD212,000,000 to secure mortgage loan granted to a related company, in which the then director of the Company has beneficial interest.

Treasury policies

The Target Company generally finances its operations with internally generated resources and external borrowings.

Foreign exchange exposure

As the Target Company's business transaction, assets and liabilities are denominated in Hong Kong dollars, foreign exchange exposure risk is remote.

Capital structure

The initial issued share capital of the Target Company is HKD1, which have been fully paid as at 31 December 2013.

Employee and remuneration polices

The Target Company did not enter into any contract of any person engaged in the full-time employment of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY FOR THE YEAR ENDED 31 DECEMBER 2014

General Information

The Target Company is a limited company incorporated in Hong Kong. The principal activity of the Company is property investment.

Principal Income Statement Components

Gain from changes in fair values of an investment property

The Target Company held a residential property located in Kowloon Tong. Based on the independent valuation of the investment property as at 31 December 2014, a valuation gain of HKD28,000,000 was recognised.

Rental income and other revenue

The total rental income and other revenue amounted to approximately HKD549,000 and HKD1,005,000 respectively for the year ended 31 December 2014. The rental income decreased by approximately HKD3,291,000 or 85.7% as compared to the year ended 31 December 2013 due to the tenancy agreement of the investment property was early terminated on 20 February 2014 and the investment property remains vacant ever since. The early termination indemnity of HKD960,000 from tenant was recognised in other revenue.

Finance cost

The Target Company's finance cost for the year ended 31 December 2014 was approximately HKD1,255,000 in relation to interest paid on the amount due to a related company.

Liquidity and financial resources

Net Assets

As at 31 December 2014, the Target Company recorded total assets of approximately HKD244,442,000 which were financed by liabilities of approximately HKD81,856,000 and equity of approximately HKD162,586,000. The net asset value as at 31 December 2014 was HKD162,586,000.

Amount due to a related company

As at 31 December 2014, the Target Company had the amount due to a related company of approximately HKD81,848,000 which was unsecured, interest bearing at approximately 1.533% per annum and repayable on demand.

Liquidity

The Target Company had total cash and bank balances of approximately HKD51,000 as at 31 December 2014. The gearing ratio of the Target Company as at 31 December 2014, calculated as a ratio of amount due to a related company to total equity was approximately 0.50. Net assets were approximately HKD162,586,000.

The Target Company recorded total current assets of approximately HKD4,392,000 as at 31 December 2014 and total current liabilities of approximately HKD81,856,000. The current ratio of the Target Company, calculated by dividing total current assets by total current liabilities was approximately 0.054 as at 31 December 2014.

Charges on assets

At 31 December 2014, the Target Company has pledged its investment property with a carrying amount of HKD240,000,000 to secure mortgage loan granted to a related company, in which the then director of the Company has beneficial interest.

Treasury policies

The Target Company generally finances its operations with internally generated resources and external borrowings.

Foreign exchange exposure

As the Target Company's business transaction, assets and liabilities are denominated in Hong Kong dollars, foreign exchange exposure risk is remote.

Capital structure

The initial issued share capital of the Target Company is HKD1, which have been fully paid as at 31 December 2014.

Employee and remuneration polices

The Target Company did not enter into any contract of any person engaged in the full-time employment of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANY FOR THE YEAR ENDED 31 DECEMBER 2015

General Information

The Target Company is a limited company incorporated in Hong Kong. The principal activity of the Company is property investment.

Principal Income Statement Components

Gain from changes in fair values of an investment property

The Target Company held a residential property located in Kowloon Tong. Based on the independent valuation of the investment property as at 31 December 2015, a valuation gain of HKD6,000,000 was recognised.

Rental income

No rental income for the year ended 31 December 2015 as the investment property remained vacant.

Finance cost

The Target Company's finance cost for the year ended 31 December 2015 was approximately HKD187,000 in relation to interest paid on the amount due to a related company. The decrease in finance cost was due to a deed of assignment was signed on 20 November 2015 of which the amount due to a related company with interest bearing had been transferred to the amount due to the holding company with interest free.

Liquidity and financial resources

Net Assets

As at 31 December 2015, the Target Company recorded total assets of approximately HKD246,061,000 which were financed by liabilities of approximately HKD81,925,000 and equity of approximately HKD164,136,000. The net asset value as at 31 December 2015 was HKD164,136,000.

Amount due to a related company

The Target Company had no amount due to a related company as at 31 December 2015 as a deed of assignment was signed on 20 November 2015 of which the amount due to a related company with interest bearing had been transferred to the amount due to the holding company with interest free.

Amount due to the holding company

As at 31 December 2015, the Target Company had the amount due to the holding company of approximately HKD81,896,000 which were unsecured, interest free and repayable on demand.

Liquidity

As at 31 December 2015, the Target Company did not have cash and bank balances. The gearing ratio of the Target Company as at 31 December 2015, calculated as a ratio of amount due to the holding company to total equity was approximately 0.50. Net assets were approximately HKD164,136,000.

The Target Company recorded total current assets of approximately HKD28,000 as at 31 December 2015 and total current liabilities of approximately HKD81,925,000. The current ratio of the Target Company, calculated by dividing total current assets by total current liabilities was approximately 0.0003 as at 31 December 2015.

Charges on assets

As at 31 December 2015, the Target Company did not have any pledged assets. The pledge of investment property has been released on 20 November 2015.

Treasury policies

The Target Company generally finances its operations with internally generated resources and external borrowings.

Foreign exchange exposure

As the Target Company's business transaction, assets and liabilities are denominated in Hong Kong dollars, foreign exchange exposure risk is remote.

Capital structure

The initial issued share capital of the Target Company is HKD1, which have been fully paid as at 31 December 2015.

Employee and remuneration polices

The Target Company did not enter into any contract of any person engaged in the full-time employment of the Company.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Board of Directors
Central Wealth Financial Group Limited
Room 912, 9/F
New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East
Kowloon, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Central Wealth Financial Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group and Chinacorp (HK) Investment Limited ("Chinacorp") (hereinafter collectively referred to as the "Enlarged Group") as at 31 December 2015, and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 66 to 75 of Appendix IV to the circular dated 31 May 2016 (the "Circular") issued by the Company in connection with the proposed acquisition of the entire issued share capital of Chinacorp and settlement of the amount due to Eternal Vantage Investment Limited by Chinacorp (the "Transaction"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages 66 to 75 of Appendix IV to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 31 December 2015 as if the Transaction had taken place at 31 December 2015. As part of this process, information about the Group's financial position as at 31 December 2015 has been extracted by the Directors from the Company's audited consolidated financial statements for the year ended 31 December 2015, on which the annual report of the Company for the year ended 31 December 2015 has been published.

The information about Chinacorp's financial position as at 31 December 2015 has been extracted by the Directors from the financial information as set out in Appendix II to the Circular.

DIRECTORS' RESPONSIBILITIES FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

OUR INDEPENDENCE AND QUALITY CONTROL

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

The firm applies Hong Kong Standard on Quality Control 1 "*Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*" and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Transaction on unadjusted financial information of the Group as if the Transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 31 December 2015 would have been as presented.

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

- The related pro forma adjustments give appropriate effect to those criteria; and

- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

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

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

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

OPINION

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Asian Alliance (HK) CPA Limited
Certified Public Accountants (Practising)
Lam Chik Tong
Practising Certificate Number: P05612

Suites 313-316, 3/F
Shui On Centre
6-8 Harbour Road
Wanchai
Hong Kong

31 May 2016

1. Introduction to the Unaudited Pro Forma Financial Information of the Enlarged Group

The following is the unaudited pro forma financial information of Central Wealth Financial Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") and Chinacorp (HK) Investment Limited ("Chinacorp") (hereinafter collectively referred to as the "Enlarged Group") (the "Unaudited Pro Forma Financial Information"), as if the proposed acquisition of the entire issued share capital of Chinacorp and settlement of the amount due to Eternal Vantage Investment Limited ("Eternal Vantage") by Chinacorp (the "Transaction") had taken place on 31 December 2015. Details of the Transaction are set out in the section headed "Letter from the Board" contained in this Circular.

The Unaudited Pro Forma Financial Information has been prepared in accordance with Paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), for the purpose of illustrating the effect of the Transaction pursuant to the terms of a sale and purchase agreement dated 2 February 2016 (the "Chinacorp Acquisition Agreement") entered into between the Group and Eternal Vantage, to conditionally acquire the entire equity interest in Chinacorp. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group had the Transaction been completed as of the specified dates or any future date.

The Unaudited Pro Forma Financial Information has been prepared using accounting policies consistent with that of the Group based on the audited consolidated statements of financial position of the Group as at 31 December 2015, which has been extracted from the Company's published annual report for the year ended 31 December 2015, and the audited statement of financial position of Chinacorp as at 31 December 2015 as extracted from the accountants' report thereon set out in Appendix II to this Circular, after taking pro forma adjustments that are (i) directly attributable to the Transaction and not relating to future events and decisions; and (ii) factually supportable based on the terms of the Chinacorp Acquisition Agreement.

The Unaudited Pro Forma Financial Information is based on a number of assumptions, estimates and uncertainties. The Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Transaction been completed on 31 December 2015. The Unaudited Pro Forma Financial Information does not purport to predict the future financial position of the Enlarged Group.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in (i) the published annual report of the Company for the year ended 31 December 2015; and (ii) other financial information included elsewhere in this Circular.

2. Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group

			Pro Forma Adjustments				
	The Group as at 31 December 2015 *HKD'000* (Audited) *Note 3(a)*	Chinacorp as at 31 December 2015 *HKD'000* (Audited) *Note 3(b)*	Change in fair value of investment property *HKD'000* *Note 3(c)*	Investment in Chinacorp *HKD'000* *Note 3(d)*	Elimination of investment in Chinacorp *HKD'000* *Note 3(d)*	Bank borrowing granted from a bank *HKD'000* *Note 3(e)*	Enlarged Group as at 31 December 2015 *HKD'000* (Unaudited)
NON-CURRENT ASSETS							
Property, plant and equipment	2,001	33	–	–	–	–	2,034
Investment property	403,000	246,000	(6,000)	–	(2,096)	–	640,904
Interests in subsidiaries	–	–	–	156,040	(156,040)	–	–
Interests in associates	3,160	–	–	–	–	–	3,160
	408,161	246,033	(6,000)	156,040	(158,136)	–	646,098
CURRENT ASSETS							
Held-for-trading investments	6,732	–	–	–	–	–	6,732
Trade and other receivables	28,683	28	–	–	–	–	28,711
Loan and interest receivables	12,020	–	–	–	–	–	12,020
Loan receivable from an associate	80,000	–	–	–	–	–	80,000
Derivative financial instrument	5,292	–	–	–	–	–	5,292
Cash and bank balances	98,114	–	–	(32,000)	–	–	66,114
	230,841	28	–	(32,000)	–	–	198,869

2. Unaudited Pro Forma Consolidated Statement of Financial Position of the Enlarged Group (Continued)

	The Group as at 31 December 2015	Chinacorp as at 31 December 2015	Pro Forma Adjustments: Change in fair value of investment property	Pro Forma Adjustments: Investment in Chinacorp	Pro Forma Adjustments: Elimination of investment in Chinacorp	Pro Forma Adjustments: Bank borrowing granted from a bank	Enlarged Group as at 31 December 2015
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*	*HKD'000*
	(Audited)	(Audited)					(Unaudited)
	Note 3(a)	*Note 3(b)*	*Note 3(c)*	*Note 3(d)*	*Note 3(d)*	*Note 3(e)*	
CURRENT LIABILITIES							
Trade and other payables	20,840	29	–	–	–	–	20,869
Amount due to the holding company	–	81,896	–	–	–	(81,896)	–
Bank borrowings	187,180	–	–	–	–	116,900	304,080
Tax liabilities	1,767	–	–	–	–	–	1,767
	209,787	81,925	–	–	–	35,004	326,716
NET CURRENT ASSETS (LIABILITIES)	21,054	(81,897)	–	(32,000)	–	(35,004)	(127,847)
TOTAL ASSETS LESS CURRENT LIABILITIES	429,215	164,136	(6,000)	124,040	(158,136)	(35,004)	518,251
NON-CURRENT LIABILITY							
Promissory notes	–	–	–	5,000	–	–	5,000
NET ASSETS	429,215	164,136	(6,000)	119,040	(158,136)	(35,004)	513,251
CAPITAL AND RESERVES							
Share capital	5,778	1	–	640	(1)	–	6,418
Reserve	423,441	164,135	(6,000)	118,400	(158,135)	(35,004)	506,837
Equity attributable to owners of the Company	429,219	164,136	(6,000)	119,040	(158,136)	(35,004)	513,255
Non-controlling interest	(4)	–	–	–	–	–	(4)
TOTAL EQUITY	429,215	164,136	(6,000)	119,040	(158,136)	(35,004)	513,251

3. Notes to the Unaudited Pro Forma Financial Information of the Enlarged Group

(a) For the purpose of the preparation of Unaudited Pro Forma Financial Information, the amounts are extracted from the audited consolidated financial statements of the Group for the year ended 31 December 2015 as set out in the published annual report of the Company for the year ended 31 December 2015.

(b) For the purpose of the preparation of Unaudited Pro Forma Financial Information, the amounts are extracted from the accountants' report on Chinacorp as at 31 December 2015 as set out in Appendix II to this Circular.

(c) The fair value of the investment property of Chinacorp as at 2 February 2016 was approximately HKD240,000,000. The adjustment represented the decrease in the fair value of approximately HKD6,000,000.

(d) The adjustment represents the acquisition of the entire equity interest in Chinacorp. Pursuant to the Chinacorp Acquisition Agreement, the Group has conditionally agreed to acquire the entire issued share capital of Chinacorp for an aggregated consideration amounted to HKD156,040,000, which is to be satisfied in the following manners:

	Notes	*HKD'000*
Cash	*(i)*	32,000
Consideration shares	*(ii)*	119,040
Promissory notes	*(iii)*	5,000
		156,040

(i) HKD32,000,000 is satisfied by cash and the Group has paid to Eternal Vantage on 7 January 2016.

(ii) HKD119,040,000 is satisfied by consideration shares of the Company, in which the Company will allot and issue 640,000,000 shares of HKD0.001 each at an issue price of HKD0.125 per share (the "Consideration Share(s)"). For the purpose of the Unaudited Pro Forma Financial Information, the fair values of the Consideration Shares at the date of completion is assumed to be HKD0.186 which represent the market share price of the Company per Consideration Share to Eternal Vantage on 31 December 2015. As the fair value of the Consideration Shares at the date of completion may be substantially different from the closing price of the Company's shares at 31 December 2015, the actual fair value of the consideration of the Transaction and in turn, the amount of investment property may be different from those presented in the Unaudited Pro Forma Financial Information. Accordingly, the amount of reserve of approximately HKD118,400,000 was the difference between the fair value of the Consideration Shares and the par value of Consideration Shares on 31 December 2015.

(iii) The remaining balance of HKD5,000,000 is satisfied by the promissory notes, which will be matured in two years, bear interest at the rate of 2% per annum, and is payable semi-annually in arrears.

Upon the completion of the Transaction, Chinacorp would become an indirect owned subsidiary of the Company.

Chinacorp is principally engaged in property investment and the only significant asset of Chinacorp is the investment property. As it is the intention of the Group to acquire the investment property and lease out for rental income, the Transaction is accounted for as acquisition of asset and the investment property is recognised in accordance with Hong Kong Accounting Standard 40 *Investment Property* at the amount of the consideration paid and payable.

According to Hong Kong Financial Reporting Standard 3 (Revised) *Business Combination*, the acquisition of an asset that does not constitute a business is not a business combination. In such case, the acquirer shall identify and recognise the individual identifiable assets acquired and liabilities assumed. The investment cost shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill.

The fair value adjustment on the investment property which arise as follow:

	HKD'000
Chinacorp's net asset value as at 31 December 2015	164,136
Decrease in fair value of the investment property *(Note 3(c))*	(6,000)
Chinacorp's adjusted net asset value	158,136
Total consideration	(156,040)
Fair value adjustment on the investment property	2,096

At the end of each reporting period, the Group will conduct a review of fair value of the investment property.

(e) On 22 January 2016, a bank has granted a mortgage loan of HKD116,900,000 to Chinacorp, which contained a repayment on demand clause. This mortgage loan was secured by Chinacorp's investment property and bear interest at lower of HKD Prime Rate – 2.5% and HIBOR (1 month) +2.5% per annum. The entire mortgage loan was paid to Eternal Vantage to settle the amount due to Eternal Vantage of approximately HKD81,896,000. The balance of approximately HKD35,004,000, being advance to Eternal Vantage, was waived by Chinacorp subsequently.

The following is the text of the letter, summary of valuation and the valuation certificate, proposed for the purpose of incorporation in this circular received from A.G. Wilkinson & Associates (Surveyors) Ltd., an independent valuer, in connection with its valuation of the Property as at February 2, 2016.

SINCE 1971
A.G. WILKINSON & ASSOCIATES (SURVEYORS) LIMITED
韋 堅 信 測 量 師 行 有 限 公 司
Unit 2701, 27/F, The Center, 99 Queen's Road Central, Hong Kong.
Tel: 2521-6467 Fax: 2845-2642, 2804-6352 www.agwilkinson.com E-mail: e@agw.com.hk

March 2, 2016

Our Ref: 15/VT/01487

The Directors
Central Wealth Financial Group Limited
(formerly known as China For You Group Company Limited)
Room 912, 9/F., New East Ocean Centre,
9 Science museum Road,
TST East,
Kowloon,
Hong Kong

Dear Sirs,

Re: No. 19 Cumberland Road, Kowloon
"the subject property"

In accordance with your instructions for us to value the subject property in respect of the proposed acquisition by Central Wealth Financial Group Limited (formerly known as China For You Group Company Limited) (the "Company") and/or its subsidiaries (together referred to as (the "Group"), we confirm that we have carried out inspection, made relevant enquiries and searches as we consider necessary for the purpose of providing you with our opinion of the market value of the subject property as at February 2, 2016 for the purpose of inclusion in a Circular to be issued by the Group.

The term, Market Value, is defined by the International Valuation Standards and followed by the HKIS Valuation Standards (2012 Edition) 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 where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to cost of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

Our valuations have been made on the assumption that the owner sells the property interests on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the value of such property interests. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property interests and no forced sale situation in any manner is assumed in our valuation.

We have valued the subject property in market approach by using Direct Comparison method by making reference to comparable market transactions as reported in the market at similar locations. Appropriate adjustments have been made between the comparables and the subject property for all the relevant factors. Based on the Company's classification, the property is an investment property.

We have caused searches to be made at the relevant Land Registry. However, we have not searched the original documents to verify ownership or to ascertain any lease amendments. We shall not assume any responsibility for matter legal in nature, nor do we given any opinion as to the title which is assumed to be good transferable and marketable.

We have taken reasonable steps and our best effort to verify all data, information and sources of information being relied upon in the preparation of the valuation, including matters such as planning approvals, statutory notices, easements, tenure, occupancy, lettings, floor areas and all other relevant matters. All information, documents and leases have been used as reference only. All dimensions, measurements and areas are approximate. Unless otherwise stated, the conversion factor of 1 square metre to 10.764 square feet is adopted.

Whilst we have carried out an inspection of the property, we have not carried out structural survey and it was not possible to inspect the wood work and other parts of the structure which were covered, unexposed or inaccessible. We are therefore, unable to report that the property is free of rot, infestation or any other structural defects. No test has been carried out on any of the building services.

No allowance has been made in our valuations for any charges, mortgages or amounts owing on the property interests nor for any expenses or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the property interests are free from encumbrances, restrictions and outgoings of any onerous nature which could affect its value.

Our valuation has been prepared in accordance with The HKIS Valuation Standards (2012 Edition), the relevant provisions in the Company Ordinance and it has complied with Chapter 5 of the rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

We attached herein our Summary of Valuation and Valuation Certificate.

Yours faithfully,
For and on behalf of
A.G. WILKINSON & ASSOCIATES (SURVEYORS) LIMITED

Sr. Ringo C.C. Lam
B.Sc.(Hons), MCIREA, FHKIS, RPS(GP)
Director of Valuation and Consultancy Services

RL/KC/jy

Note: Sr. Ringo C.C. Lam is a Registered Professional Surveyor (General Practice Division) in the Hong Kong Special Administrative Region of The People's Republic of China. He is a Professional Member of the China Institute of Real Estate Appraisers and a Fellow Member of The Hong Kong Institute of Surveyors. He joined this professional practice since 1995 and he had about 22 years of post qualification experience in General Practice Surveying in Hong Kong

He is currently 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" of The Hong Kong Institute of Surveyors

SUMMARY OF VALUE

Property	Market Value as at February 2, 2016
No. 19 Cumberland Road, Kowloon	HKD240,000,000
Total:	HKD240,000,000

Note: The subject property was valued at HKD240,000,000 (TWO HUNDRED AND FORTY MILLION HONG KONG DOLLARS) by A. G. Wilkinson & Associates (Surveyors) Ltd., as at February 2, 2016 on the basis of Market Value, in accordance with the HKIS Valuation Standards (2012 Edition), the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong.

VALUATION CERTIFICATE

Property	Description and Tenure	Particulars of Occupancy	Market Value as at February 2, 2016
No. 19 Cumberland Road, Kowloon New Kowloon Inland Lot No. 692	The property comprises a 2-storey garden house for residential purpose. Vertical access is served by two internal staircases. The property was completed in July 1980. The floor areas of the property are summarized as follows:– Saleable Area – 5,808 sq.ft. Ancillary Accommodations: Flat Roof on Roof – 2,774 sq.ft. Garden – 7,173 sq.ft. – or thereabouts – The subject lot has a registered site area of 10,060 sq.ft. or thereabouts. The property is held under Government Lease of New Kowloon Inland Lot No. 692 for a lease term expiring on June 30, 2047 at an annual rental of an amount equals to 3% of the rateable value for the time being of the lot. There is no options or rights of pre-emption concerning or affecting the property.	At the time of our inspection, the subject property was vacant.	HKD240,000,000

Notes:

1. The registered owner of the subject property is "Chinacorp (HK) Investment Limited" vide Memorial No. 08032601560821 dated February 28, 2008.

2. The property is subject to the First Mortgage in favour of "Skyway Credit Service Limited" to secure loan facilities vide Memorial No. 1511302140018 dated November 20, 2015.

3. The property is also subject to Deed of Assignment of Mortgage and Other Securities in favour of "Hansom Finance Limited" vide Memorial No. 1511302140029 dated November 20, 2015. (Re: By Skyway Credit Service Limited) (Pending Registration).

4. The property is currently zoned "Residential (Group C) 1" under Kowloon Tong Outline Zoning Plan No. S/K18/19 dated January 16, 2015.

5. The property is subject to Government Lease of New Kowloon Inland Lot No. 692. Salient points of the Government Lease in relation to user restriction of the lot are extracted below:–

   "... And will during the whole of the said term hereby granted keep and maintain on the said piece or parcel of ground hereby demised a messuage or dwelling house...which said messuage or dwelling house shall be of the same type of building elevation character and description and shall front and range in an uniform manner with the buildings immediately adjacent thereto the whole to be done to the satisfaction of His said Majesty's Director of Public Works..."

   "...And that he the said Lessee or any other person or persons shall not nor will during the continuance of this demise use exercise or follow in or upon the said premises or any part thereof the trade or business of a Brazier, Slaughterman, Soap-maker, Sugar-baker, Fellmonger, Melter of Tallow, Oilman, Butcher, Distiller, Victualler or Tavern-keeper, Blacksmith, Nightman, Scavenger or any other noisy noisome or offensive trade or business whatever without the previous licence of His said Majesty signified in writing by the Governor or other person duly authorized in that behalf..."

6. Recent market transactions of similar properties in the locality are as follows:–

Address	**Transacted Price** *(HKD)*	**Unit Rate of Saleable Area** *(HKD/sq.ft.)*	**Instrument Date**
House No. 12, Mount Beacon, Cornwall Street 20	106,500,000	40,371	Jul 9, 2014 (ASP)
Somerset Road 24	315,000,000	46,262	Jul 17, 2014 (PASP)
House No. 1, Ede Road 1 & 3	362,900,000	82,253	Mar 2, 2015 (ASP)
Unit A, Stafford Road 10	69,000,000	51,378	Oct 5, 2015 (ASP)

ASP – Agreement for Sale and Purchase
PASP – Provisional Agreement for Sale and Purchase

7. We understand that the Company's instruction on us for preparation of this valuation report was made in acknowledgement of our previous valuation assignment with the Company of the subject property in March 2016 for accounting purpose and also market valuation assignments with the Company for another property (i.e. No. 2 Lincoln Road, Kowloon) in August 2015 and October 2015 for the purposes of accounting and public circular respectively. We confirm that our valuation for this public circular has been carried out impartially and independently without any bias against any parties concerned.

8. The inspection was undertaken by Sr. Kevin C.Y. Chu and Mr. Paul Lam on December 16, 2015 under the supervision of the Qualified Valuer in accordance with the Valuation Standards and Listing Rules.

   On-site inspections were carried out at the subject property and this surrounding area regarding the physical conditions of the building and the nature of the locality. The locality is primarily a low density residential area in which developments are mainly of European-type houses intermingled with education/religion institutes, small size hotels and communal facilities. While the property was vacant at the time of our inspection, both the external and internal conditions of the property were seen to be reasonable, except that part of internal layout and partitions had been re-arranged, portion of roof and garden area had been covered by metal sheet and temporary structures was found on portion of garden area during our inspection. Main building services are available.

   Sr. Kevin C.Y. Chu is a Registered Professional Surveyor (General Practice Division) in the Hong Kong Special Administrative Region of The People's Republic of China. He is a Corporate Member of The Hong Kong Institute of Surveyors. He joined this professional practice in 2008 and he has over 19 years of post qualification experience in General Practice Surveying in Hong Kong.

   Mr. Paul Lam is currently Senior Valuer of our company. He is holder of Bachelor Degree of Science in Estate Management from College of Estate Management of The University of Reading in the United Kingdom and probationer in the General Practice Division of the Hong Kong Institute of Surveyors. He joined this professional practice since May, 2010.

1. RESPONSIBILITY STATEMENT

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

2. SHARE CAPITAL

Authorised		*HKD*
249,480,000,000	Shares	249,480,000
520,000,000	preference shares	520,000
Issued and to be issued, fully paid or credited as fully paid		
5,777,587,998	Shares in issue as at the Latest Practicable Date	5,777,587.998
640,000,000	Consideration Shares to be allotted and issued	640,000.000
6,417,587,998	Shares	6,417,587.998

All the issued Shares rank *pari passu* with each other in all respects including the rights as to voting, dividends and return of capital. The Consideration Shares to be allotted and issued will, when issued and fully paid, rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment and issue of the Consideration Shares. The Shares in issue are listed on the Stock Exchange.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in Shares, underlying shares and debentures

As at the Latest Practicable Date, the interests and short positions of the Directors in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which: (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange, were as follows:

Name of Director	Capacity	Number of Shares or underlying Shares held	Approximate percentage of the issued share capital of the Company *(%)*
Mr. Siu Yun Fat *(Note)*	Beneficial owner	67,800,000 (L)	1.17%
Mr. Yang Yang *(Note)*	Beneficial owner	35,000,000 (L)	0.60%
Mr. Yu Qingrui *(Note)*	Beneficial owner	87,960,000 (L)	1.52%
Mr. Lau Fai Lawrence *(Note)*	Beneficial owner	600,000 (L)	0.01%

"L" stands for long position

Note:

The interest disclosed represents the underlying Shares to be issued and allotted upon the exercise of the options granted to the relevant directors.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any interests or short positions in the Share, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which: (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

(b) Interests and short positions in shares, underlying shares and debentures of companies in which any Director or proposed Director is a director or an employee

As at the Latest Practicable Date, none of the companies in which any Director or proposed Director is director or employee 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.

As at the Latest Practicable Date, none of the Directors is a director or employee of a company which has 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.

(c) Substantial Shareholders' and other persons' interests in Shares and underlying shares

Name of Substantial Shareholder	Capacity	Number of Shares or underlying Shares held	Approximate percentage of the issued share capital of the Company *(%)*
Chinese Top Holdings Limited *(Note 1)*	Beneficial owner	615,820,000 (L)	10.66%
Huang Zhiwen *(Note 1)*	Interest in controlled corporation	615,892,000 (L)	10.66%
Lin Guoyan *(Note 1)*	Interest in controlled corporation	615,892,000 (L)	10.66%
Huang Chuan	Beneficial owner	416,364,000 (L)	7.21%
Lin Guo Rong	Beneficial owner	303,896,000 (L)	5.26%

"L" stands for long position

Notes:

1. In accordance with the disclosure forms filed, Chinese Top Holdings Limited is controlled as to 20% by Chen Yibao, as to 40% by Hunag Zhiwen and as to 40% by Lin Guoyan respectively.

As at the Latest Practicable Date, save as disclosed above, the Directors and the chief executive of the Company were not aware of any other persons other than a Director or chief executive of the Company, who had interests 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, or, who were, 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 meeting of any member of the Group.

4. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of the Enlarged Group within the two years immediately preceding the date of this circular and are or may be material:

(i) the conditional placing agreement dated 19 May 2015 (as supplemented and amended by the supplemental agreement dated 8 June 2015 and the extension letter dated 15 July 2015) and entered into between the Company and Skyway Securities Investment Limited as placing agent in relation to the placing of up to 657,000,000 non-listed warrants at the warrant placing price of HKD0.1 per warrant;

(ii) the deed of termination dated 4 August 2015 and entered into between the Company and Skyway Securities Investment Limited as placing agent in relation to the termination of the placing of up to 657,000,000 non-listed warrants;

(iii) the placing agreement dated 26 June 2015 and entered into between the Company and Skyway Securities Investment Limited as placing agent in relation to the placing of up to 656,000,000 placing shares at the placing price of HKD0.26 per share;

(iv) the sale and purchase agreement dated 17 August 2015 and entered into between Great Well Properties Limited and Sky Eagle Global Limited (a wholly owned subsidiary of the Company) for the sale and purchase of the entire issued share capital of and the shareholder's loan in Metro Victor Limited at a consideration of HKD210,000,000;

(v) the two placing agreements both dated 22 September 2015 and entered into between the Company and Skyway Securities Investment Limited as placing agent in relation to the placing of up to 700,000,000 placing shares and up to 900,000,000 placing shares respectively at the placing price of HKD0.135 per share;

(vi) the loan agreement dated 30 September 2015 (as supplemented by the supplemental loan agreement dated 27 October 2015) and entered into between Globally Finance Limited as lender and Instant Achieve Limited as borrower in relation to the provision of loan facility up to HKD90 million to Instant Achieve Limited;

(vii) the sale and purchase agreement dated 3 November 2015 and entered into between the Company as vendor and Mr. Chen Huaide as purchaser in relation to the disposal of the entire issued share capital of Boway Enterprises (International) Limited for a cash consideration of HKD3,300,000;

(viii) the Sale and Purchase Agreement; and

(ix) the sale and purchase agreement dated 4 March 2016 and entered into between the Company as vendor and Gold Mission Limited as purchaser in relation to the disposal of the entire issued share capital of Sky Eagle Global Limited for a total consideration of HKD218,000,000 by way of cash deposit, consideration shares and promissory note.

5. DIRECTORS' SERVICE CONTRACTS

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

6. LITIGATION

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

The Alleged Guarantee and the claim

In December 2013, the Board received demand letter from alleged creditors of two companies, requesting the Company, being the alleged guarantor of debts in the total sum of approximately RMB842 million owed by two companies (the "**Alleged Creditors**") unknown to the Company (the "**Alleged Guarantees**"), to settle the alleged debts on or before 11 December 2013, and forewarning that, failing which, the Alleged Creditors would take legal action against the Company.

On 14 January 2014, the Company received a writ of summons and statement of claim issued by 廣東省金屬回收公司 (Guangdong Metal Recycling Corporation*) ("**GMRC**"), one of the two Alleged Creditors in relation to the Alleged Guarantees, against: (i) Able Success Asia Limited as 1st defendant; (ii) Mr. He Jianhong as the 2nd defendant; and (iii) the Company as the 3rd defendant, claiming an aggregate sum of approximately RMB644 million (the "**Claim**").

As disclosed in the announcement of the Company dated 25 April 2016, the High Court action in relation to the Claim by GMRC against the Company has been discontinued.

The Company is of the view that the Claim by GMRC has no material adverse impact on the overall business operation and financial position of the Group.

7. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors or substantial Shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Enlarged Group or has any other conflict of interests which any person has or may have with the Enlarged Group.

8. EXPERTS

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

Name	Qualification
Asian Alliance (HK) CPA Limited	Certified Public Accountants
A.G. Wilkinson & Associates (Surveyors) Limited	Independent professional valuer

As at the Latest Practicable Date, each of the experts named above did not have any interests, either direct or indirect, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

As at the Latest Practicable Date, each of the above experts was not interested beneficially or non-beneficially in any Shares in the Company or any of its subsidiaries or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the above experts has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or report and/or reference to its name in the form and context in which it respectively appears.

9. MISCELLANEOUS

(a) There is no contract or arrangement entered into by any member of the Group subsisting at the date of this circular in which any Director is materially interested and which is significant to the business of the Enlarged Group.

(b) As at the Latest Practicable Date, no Directors had any direct or indirect interest in any assets which had been acquired, disposed of by or leased to, or which were proposed to be acquired, disposed of by or leased to, any member of the Group since 31 December 2015, the date to which the latest published audited consolidated financial statements of the Group were made up.

(c) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the head office and principal place of business in Hong Kong is at Room 912, 9/F., New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong.

(d) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(e) The company secretary of the Company is Mr. Lau Cheuk Pun, who is a member of the Hong Kong Institute of Certified Public Accountants.

(f) The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Room 912, 9/F., New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong during normal business hours on any Business Day from the date of this circular up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the material contracts referred to in the paragraph headed "Material contracts" in this Appendix;

(c) the written consents of experts referred to in the paragraph headed "Experts" in this Appendix;

(d) the accountants' report on the Target Company, the text of which is set out in Appendix II to this circular;

(e) the accountants' report in respect of the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix IV to this circular;

(f) the valuation report on the Property, the text of which is set out in Appendix V to this circular;

(g) the annual reports of the Company for each of the two financial years ended 31 December 2014 and 31 December 2015; and

(h) this circular.

中 達 金 融 集 團 有 限 公 司

Central Wealth Financial Group Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 572)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Central Wealth Financial Group Limited (the "**Company**") will be held at Room 912, 9/F, New East Ocean Centre, 9 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong on Thursday, 30 June 2016 at 11:00 a.m. (or such time immediately following the conclusion (or adjournment) of the annual general meeting of the Company to be held on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

"**THAT**

(a) the conditional sale and purchase agreement dated 2 February 2016 (as amended by the extension letter dated 27 May 2016) (the "**Agreement**") and entered into between Eternal Vantage Investment Limited as vendor and Skypark Developments Limited as purchaser in relation to the sale and purchase of the entire equity interests of Chinacorp (HK) Investment Limited for a total consideration of HKD117,000,000 (a copy of the Agreement is marked "A" and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;

(b) the allotment and issue of 640,000,000 new ordinary shares of HKD0.001 each (the "**Consideration Shares**") at the issue price of HKD0.125 per Consideration Share by the Company to the Vendor (or at its direction) to settle part of the consideration payable by the Purchaser under the Agreement in accordance with the terms and conditions of the Agreement and all transactions contemplated be and is hereby approved, confirmed and ratified;

(c) subject to The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Consideration Shares, the directors (the "**Directors**") of the Company be and are hereby granted a specific mandate to allot and issue the Consideration Shares pursuant to the Agreement; and

(d) any one or more Director(s) be and is/are hereby authorised to implement and take all steps and do all acts and things and execute all such documents (including under seal, where applicable) which he/she/they consider(s) necessary, desirable or expedient to give effect to the Agreement and the transactions contemplated thereunder and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole."

Yours faithfully
For and on behalf of the Board
CENTRAL WEALTH FINANCIAL GROUP LIMITED
Siu Yun Fat
Chairman

Hong Kong, 31 May 2016

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

Head office and principal place of business in Hong Kong:
Room 912, 9/F.
New East Ocean Centre
9 Science Museum Road
Tsim Sha Tsui East, Kowloon
Hong Kong

Notes:

1. Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy needs not be a member of the Company.

2. In order to be valid, the form of proxy must be duly lodged at the Company's branch registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17 Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the meeting or any adjourned meeting.

3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the above meeting or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.