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

If you have sold or transferred all your shares in **Pioneer Global Group Limited**, you should at once hand this circular to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or the transferee.

Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

MAJOR ACQUISITION:
ACQUISITION OF THE COMPANY WHICH OWNS THE PROPERTY IN SAI YING PUN

22 December 2016

CONTENTS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires.

"Board"	directors of the Company
"Chance Advance" or "Purchaser"	Chance Advance Limited, a company incorporated in British Virgin Islands with limited liability, a wholly owned subsidiary of the Company
"Company"	Pioneer Global Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange
"Completion"	at or before 5:00 p.m. on 28 February 2017
"connected person"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company
"Enlarged Group"	the Group as enlarged by the acquisition immediately upon Completion
"Group"	the Company and its subsidiaries
"Guarantors"	Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	The Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	19 December 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Maxforte"	Maxforte Investments Company Limited, a company incorporated in Hong Kong which is principally engaging in investment holding and is the holding company of the Property

"Property"	the whole of lower ground floor, whole of the ground floor, whole of 1st floor and whole of 2nd floor, Kiu Fat Building, Nos. 115-119 Queen's Road West, Sai Ying Pun, Hong Kong
"Provisional Agreement"	a provisional agreement for sale and purchase entered into between Chance Advance and Maxforte on 8 September 2016
"Sale Loans"	the loans owing by Maxforte to the relevant Sellers as at the Completion
"Sale Shares"	the entire issued share of Maxforte, being 24 ordinary shares, to be sold to the Purchaser pursuant to the SPA
"Sellers"	Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited
"SFO"	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shareholder(s)"	holders of shares of the Company
"SPA"	a share purchase agreement entered into between the Purchaser, the Sellers and the Guarantors on 18 October 2016
"sq.ft."	square feet
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Group"	Maxforte and its subsidiary
"%"	per cent

Pioneer

PIONEER GLOBAL GROUP LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00224)

Executive Directors:
Rossana Wang Gaw *(Chairman)*
Goodwin Gaw *(Vice Chairman)*
Kenneth Gaw *(Managing Director)*
Christina Gaw
Alan Kam Hung Lee

Independent Non-executive Directors:
Dr. Charles Wai Bun Cheung, JP
Stephen Tan
Arnold Tin Chee Ip

Registered Office:
Canon's Court, 22 Victoria Street
Hamilton HM 12
Bermuda

Principal Place of Business and Head Office in Hong Kong:
18th Floor, 68 Yee Wo Street
Causeway Bay, Hong Kong

22 December 2016

To the *Shareholders*

Dear Sir/Madam,

**MAJOR ACQUISITION:
ACQUISITION OF THE COMPANY WHICH OWNS
THE PROPERTY IN SAI YING PUN**

INTRODUCTION

Reference is made to the announcements of the Company dated 9 September 2016, 26 September and 19 October 2016 in relation to the Provisional Agreement and the SPA.

On 18 October 2016 (after trading hours), Chance Advance, a wholly owned subsidiary of the Company, entered into a share purchase agreement with Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited, being the Sellers, and Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred, being the Guarantors, to acquire the entire issued share capital of Maxforte, being the holding company of the Property.

The purpose of this circular is to provide the Shareholders, among other things, with further information in relation to the acquisition of the entire issued share capital of Maxforte.

SHARE PURCHASE AGREEMENT

Date:

18 October 2016

Parties

(i) the Purchaser: Chance Advance, a wholly owned subsidiary of the Company;

(ii) the Sellers: Wing Hing Electric Trading Company Limited, Mr. Wong Wing Keung and Glorious Ocean Investment Limited; and

(iii) the Guarantors: Mr. Kwok Wing Yau and Mr. Chan Wing Kee, Alfred.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Sellers, the Guarantors and their ultimate beneficial owners are third parties independent of the Company and any connected person of the Company and is not a connected person of the Company.

Assets acquire

The entire interest of Maxforte, which consists of the Sale Shares and Sale Loans.

Consideration

The total consideration for the Sales Shares and Sales Loans is HK$648.0 million which is equivalent to the consideration agreed for the value of the Property and is determined with reference to the property valuation of HK$715.0 million for the Property performed in August 2016 by Colliers International (Hong Kong) Limited, an independent appraiser, based on the valuation method of income approach. The consideration for the Sale Loans shall be the face amount of the Sale Loans upon the Completion. The Sale Loans were HK$53.8 million as of 31 August 2016. The consideration intends to be funded by a combination of the Company's internal resources and bank financing.

Payment Terms

A total deposit of HK$64.8 million was paid prior to entering of the SPA. An additional part payment of HK$64.8 million was paid upon signing of the SPA. The balance of HK$518.4 million shall be paid at the Completion.

Conditions and Major Terms

(1) the Sellers shall have good title to the Sale Shares free from encumbrances;

(2) the Sale Loans are due and owing by Maxforte to the relevant Sellers;

(3) the entire share capital of Maxforte is beneficially owned by the Sellers free from all encumbrances;

(4) Maxforte has good title to the Property and is the sole registered and beneficial owner of the Property and any existing mortgages or charges on the Property shall be released upon Completion;

(5) all assets and liabilities of Maxforte, other than the Property and any related operations, are to be disposed of by the Sellers no later than 31 January 2017;

(6) the fundamental warranties in relation to the Sale Shares, Sale Loans and the Property remain true, accurate and not misleading in all respects;

(7) the repayment of bank loan by the Sellers prior to the Completion;

(8) the time limit on warranty claims relating to tax matters is 6 years and relating to non-tax matters is 2 years;

(9) all the undertakings, obligations and liabilities of the Sellers are on several basis in accordance with their respective shareholding in Maxforte (i.e. Wing Hing Electric Trading Company Limited 50%, Glorious Ocean Investment Limited 25% and Mr. Wong Wing Keung 25%); and

(10) the Guarantors are liable on a several basis such that Mr. Kwok Wing Yau will be liable for 50% and Mr. Chan Wing Kee, Alfred will be liable for 25% of any sum which the Sellers fail to pay to the Purchaser in accordance with the SPA.

Completion:

Completion of the transaction shall take place at or before 5:00 p.m. on 28 February 2017.

INFORMATION ABOUT MAXFORTE

Maxforte is a limited company incorporated in Hong Kong with principal activity of investment holding. As of the Latest Practicable Date, major assets of Maxforte consist of (a) the Property (for rental purpose), (b) a subsidiary which owns a commercial property in Tin Wan, Hong Kong (for rental purpose) and (c) listed stocks (for trading purpose). Under the SPA, the Sellers shall procure that Maxforte only retains the Property and its related rental operating assets and liabilities by 31 January 2017. Therefore, at Completion, Maxforte will only own the Property which is a commercial podium with total gross floor area of approximately 56,740 sq.ft. located at Sai Ying Pun, Hong Kong. The revenue and net profit before taxation attributable to the Property for the years ended 31 March 2014, 2015 and 2016 were as follows:

	For the year ended 31 March		
	2014	**2015**	**2016**
	(audited)	**(audited)**	**(audited)**
	HK$ million	*HK$ million*	*HK$ million*
Revenue	13.8	15.3	15.8
Net profit before taxation	13.4	15.0	15.4

The assets and net profit/(loss) before and after taxation of Maxforte for the years ended 31 March 2015 and 2016 were as follows:

	For the year ended 31 March	
	2015	**2016**
	(audited)	**(audited)**
	HK$ million	*HK$ million*
Net profit/(loss) before taxation	93.8	(22.9)
Net profit/(loss) after taxation	92.2	(25.9)
Total assets	904.4	895.7
Total liabilities	167.2	184.4
Net assets	737.2	711.3

INFORMATION ABOUT THE SELLERS

Maxforte is 50% owned by Wing Hing Electric Trading Company Limited, 25% owned by Glorious Ocean Investment Limited and 25% owned by Mr. Wong Wing Keung.

Wing Hing Electric Trading Company Limited is a limited company incorporated in Hong Kong with principal activity of investment holding.

Glorious Ocean Investment Limited is a limited company incorporated in Hong Kong with principal activity of investment holding.

FINANCIAL EFFECTS OF THE ACQUISITION

Upon Completion, Maxforte will become an indirect wholly owned subsidiary of the Company. The results, assets and liabilities will be consolidated into the accounts of the Group.

Set out in Appendix III to this circular is the unaudited pro forma financial information of the Enlarged Group which illustrates the financial effects of the acquisition on the assets and liabilities of the Enlarged Group assuming Completion had taken place on 30 September 2016. The total assets of the Enlarged Group would increase approximately 6.7% from approximately HK$8,385.9 million to approximately HK$8,946.1 million and its total liabilities would increase approximately 23.2% from approximately HK$2,171.7 million to approximately HK$2,675.4 million. Assuming the acquisition had been completed on 28 February 2017, the Enlarged Group's gearing ratio or total borrowings as a percentage of total assets would be approximately 28.1%.

Based on the Appendix IIB, the rental revenue and net operating profit of the Property (April to August 2016) were HK$6.8 million and HK$6.6 million respectively. The Directors consider that after the Completion, Maxforte will contribute to the revenue and operating profit of the Enlarged Group.

REASONS FOR AND BENEFITS OF THE ACQUISITION AND INFORMATION ABOUT THE COMPANY

The principal activities of the Group are property investment and hotel investment, and other investment. The purpose of the acquisition is for long term rental income and capital appreciation from the Property.

The Directors consider that the acquisition is a valuable investment with positive potential and believe that the terms of the SPA have been made on normal commercial terms and that such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Under the Listing Rules, the acquisition of Maxforte constitutes a major transaction of the Company which is subject to Shareholders' approval. Pursuant to Rule 14.44(2), a written Shareholders' approval has been obtained from the following closely allied group of Shareholders who together hold 55.43% in nominal value of the securities giving the right to attend and vote at general meeting to approve the transaction:

(1) Forward Investments Inc., wholly owned by the YCK Trust, a discretionary trust, of which Madam Y.C. Koo, the mother of Rossana Wang Gaw (an executive director of the Company) is the sole beneficiary, owns 283,200,215 shares (24.54%) of the Company;

(2) Intercontinental Enterprises Corporation, wholly owned by the KYC 1991 Trust, a discretionary trust, of which Rossana Wang Gaw (an executive director of the Company) is the sole beneficiary, owns 215,768,260 shares (18.70%) of the Company;

(3) Vitality Holdings Limited, wholly owned by Rossana Wang Gaw (an executive director of the Company), owns 25,174,731 shares (2.18%) of the Company;

(4) Rossana Wang Gaw (an executive director of the Company) owns 100,000 shares (0.009%) of the Company;

(5) Rising Crescent Enterprises Limited, wholly owned by the RGK Trust, a discretionary trust, of which Kenneth Gaw (an executive director of the Company and the son of Rossana Wang Gaw, an executive director of the Company) is the sole beneficiary, owns 41,305,864 shares (3.58%) of the Company;

(6) Top Elite Company Limited, wholly owned by Kenneth Gaw (an executive director of the Company), owns 12,725,857 shares (1.10%) of the Company; and

(7) Kenneth Gaw (an executive director of the Company) owns 61,418,428 shares (5.32%) of the Company.

The closely allied group of Shareholders has voted in the same way in all resolutions since they were Shareholders. They have been Shareholders for over 10 years. Such Shareholders and their respective associates have no interest in this major transaction which is different from other Shareholders. The Company confirms that the closely allied group of Shareholders and their ultimate beneficial owners and their respective associates have not dealt and are aware that they must not deal in the Company's securities before information relating this transaction is made available to the public. No Shareholder shall be required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction. The written approval obtained from closely allied group of Shareholders will be in lieu of holding a physical Shareholders' meeting.

GENERAL INFORMATION

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

Yours faithfully,
For and on behalf of
Pioneer Global Group Limited
Kenneth Gaw
Managing Director

1. SUMMARY OF THE FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the past three years has been published in the annual reports and the past six months has been published in the interim results announcement per below:

(i) the financial information of the Group for the six months ended 30 September 2016 is disclosed in the interim results announcement of the Company for the six months ended 30 September 2016 published on 24 November 2016;

(ii) the financial information of the Group for the year ended 31 March 2016 is disclosed in the annual report of the Company for the year ended 31 March 2016 published on 28 July 2016, from pages 33 to 82;

(iii) the financial information of the Group for the year ended 31 March 2015 is disclosed in the annual report of the Company for the year ended 31 March 2015 published on 30 July 2015, from pages 30 to 82; and

(iv) the financial information of the Group for the year ended 31 March 2014 is disclosed in the annual report of the Company for the year ended 31 March 2014 published on 30 July 2014, from pages 27 to 80.

All of which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.pioneerglobalgroup.com or www.irasia.com/listco/hk/pioneer/index.htm).

2. WORKING CAPITAL

After taking into account the expected completion of the acquisition in February 2017 and present internal financial resources available to the Enlarged Group, including cash and bank balance as well as the available banking facilities, the Directors are of the opinion that the working capital available to the Enlarged Group is sufficient for the Enlarged Group's requirement for at least 12 months from the date of publication of this circular.

3. INDEBTEDNESS

Borrowings

At the close of business on 31 October 2016, being the latest practicable date for the purpose of this indebtedness statement, the Enlarged Group had the following outstanding borrowings:

	Repayable within 1 year	Repayable between 2 to 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*
The Group			
Mortgaged and guaranteed bank loans *(Note 1)*	763,500	240,000	1,003,500
Mortgaged and unguaranteed bank loan *(Note 2)*	–	1,017,500	1,017,500
	763,500	1,257,500	2,021,000

Notes:

(1) The amounts are secured by the first legal charges over the Group's investment properties and corporate guarantee provided by the Company.

(2) The amount is secured by the first legal charge over the Group's investment property.

At the close of business on 31 October 2016, the Target Group did not have any outstanding bank loans.

Contingent liabilities

At the close of business on 31 October 2016, being the latest practicable date for the purpose of this indebtedness statement, the Group had no material contingent liabilities.

Disclaimers

Save as aforesaid and apart from intra-group liabilities and normal trade payables, the Enlarged Group did not, at the close of business on 31 October 2016, have any outstanding mortgages, charges, debentures or other loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, liabilities under acceptances or acceptances credits, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

Subsequent change of indebtedness

In November 2016, the Group has provided a corporate guarantee to a subsidiary in the amount of HK$610.5 million. Apart from that, the Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Enlarged Group since 31 October 2016.

4. MATERIAL ADVERSE CHANGE

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

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

In June 2016, the Group sold its 50% stake in Jie Fang Building in Guangzhou's Yuexiu District for a net consideration of HK$68.8 million. This sale realized an investment return multiple of about 4 times. In August 2016, the Group sold its long held shares in Asia Financial Holdings Ltd., generating sales proceeds of HK$156.0 million and a gain of HK$79.8 million. While the Group believes that Asia Financial Holdings Ltd. is a very well-managed company and continues to believe in its long term prospects, the disposal gave the Group an opportunity to monetize a non-core holding.

The Directors are optimistic of the future prospect of the Group as the sales proceeds from the abovementioned disposals have allowed additional liquidity for the Group so that the Group can continue to take advantage of attractive investment opportunities in the global market as they arise.

In October 2016, the Group signed a binding agreement to acquire the Target Group and the transaction is expected to complete in February 2017. With the extension of the MTR line to the western districts of Hong Kong Island, old neighborhoods in these areas have continued to improve; hence the Group is very optimistic about the long term prospects of Sai Ying Pun. The Group intends to hold the Property as a long term investment and will carry out refurbishments to improve the tenant mix.

The following is the text of the accountants' report on the Target Group, prepared for the purpose of incorporation in this circular, received from the reporting accountants of the Target Group, CHENG & CHENG LIMITED, Certified Public Accountants, Hong Kong.

CHENG & CHENG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
鄭鄭會計師事務所有限公司

香港灣仔告士打道138號聯合鹿島大廈1003-1005室 電話:2598 8663
Rms 1003-1005, Allied Kajima Bldg, 138 Gloucester Rd., Wanchai, HK Tel: 2598 8663

10/F., Allied Kajima Building,
138 Gloucester Road, Wanchai, Hong Kong.

22 December 2016

The Directors
Pioneer Global Group Limited

Dear Sirs,

We report on the financial information (the "Financial Information") of *Maxforte Investments Company Limited* (the "Target Company") and its subsidiary together (the "Target Group"), which comprises the consolidated statements of financial position of the Target Group as at 31 March 2014, 2015 and 2016 and 31 August 2016, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of the Target Group for each of the years ended 31 March 2014, 2015 and 2016 and the five months ended 31 August 2016 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information. This Financial Information has been prepared by the directors of the Target Group and is set out in sections I and II below for inclusion in Appendix IIA to the circular of the Group dated 22 December 2016 (the "Circular") in connection with the acquisition of the Target Group by the Group.

The Target Company was established in Hong Kong with limited liability on 15 February 1994 with a registered and paid up capital of HK$24.

TARGET GROUP DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The management of the Target Group during the Relevant Periods are responsible for the preparation of the financial statements of the Target Group that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), and for such internal control as the management determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Financial Information has been prepared based on the audited financial statements of the Target Group after making such adjustments as are appropriate.

REPORTING ACCOUNTANTS' RESPONSIBILITY

Our responsibility is to express an opinion on the Financial Information and to report our opinion to you. We carried out our procedures in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Target Group as at 31 March 2014, 2015 and 2016 and 31 August 2016 and of the Target Group's results and cash flows for the Relevant Periods then ended.

OTHER MATTERS

The consolidated financial statements of the Target Group for each of the years ended 31 March 2014, 2015 and 2016 and the five months ended 31 August 2016 respectively were audited by K.W. Tam & Co. pursuant to separate terms of engagement with the Target Group.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information set out in sections I and II below included in Appendix IIA to the Circular which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows of the Target Group for the five months ended 31 August 2015 and a summary of significant accounting policies and other explanatory information (the "Stub Period Comparative Financial Information").

The directors of the Target Group are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the accounting policies set out in Note 2 of section II below and using accounting policies which are materially consistent with those adopted by the Target Group as set out in the annual report of the Company for the year ended 31 March 2016.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements" issued by the HKICPA. A review of the Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 2 of Section II below.

I. FINANCIAL INFORMATION OF THE TARGET GROUP

The following is the Financial Information of the Target Group prepared by the directors of the Target Group as at 31 March 2014, 2015 and 2016 and 31 August 2016 and for each of the years ended 31 March 2014, 2015 and 2016 and for each of the five months ended 31 August 2015 and 2016 (the "Financial Information").

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	As at 31 March 2014	2015	2016	As at 31 August 2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS					
Non-current assets					
Investment properties	6	817,000	901,000	875,000	858,000
Property, plant and equipment	7	2,108	1,856	1,063	735
Investment in an associate	8	–	–	–	–
		819,108	902,856	876,063	858,735
Current assets					
Financial assets at fair value through profit or loss	10	–	–	18,029	9,996
Tax recoverable		1,084	1,096	668	856
Trade receivables	11	528	–	257	257
Other receivables	12	117	132	135	119
Cash and cash equivalents	13	449	339	551	1,417
		2,178	1,567	19,640	12,645
LIABILITIES					
Current liabilities					
Amounts due to directors	22	8,038	4,040	–	–
Amounts due to shareholders	22	55,630	55,630	53,808	53,800
Other payables	14	4,324	4,382	4,511	4,771
Interest-bearing borrowings	15	107,770	102,443	125,062	113,938
Tax payable		–	–	114	132
		175,762	166,495	183,495	172,641
Net current liabilities		(173,584)	(164,928)	(163,855)	(159,996)
Non-current liabilities					
Deferred tax liabilities		609	768	927	1,086
Total assets less total liabilities		644,915	737,160	711,281	697,653
EQUITY					
Capital and reserves attributable to equity holders of the Target Group					
Share capital	16	–	–	–	–
Reserves		644,915	737,160	711,281	697,653
Total equities		644,915	737,160	711,281	697,653

I. FINANCIAL INFORMATION OF THE TARGET GROUP (Continued)

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March			Five months ended 31 August	
	Notes	**2014**	**2015**	**2016**	**2015**	**2016**
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Revenue	*17*	14,490	19,794	20,316	8,347	8,706
Other revenue and gains/(losses)	*17*	(3,240)	19	(9,115)	(8,043)	1,131
Change in fair value of investment properties		16,671	84,000	(26,000)	30,000	(17,000)
Administrative expenses		(11,331)	(7,489)	(5,580)	(777)	(4,879)
Finance costs	*18*	(770)	(2,496)	(2,513)	(984)	(1,054)
Profit/(loss) before taxation	*19*	15,820	93,828	(22,892)	28,543	(13,096)
Income tax expenses	*20*	(401)	(1,583)	(2,987)	(159)	(532)
Profit/(loss) for the year/period attributable to equity holders of the Target Group		15,419	92,245	(25,879)	28,384	(13,628)

I. FINANCIAL INFORMATION OF THE TARGET GROUP (Continued)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Share capital	Retained earning	Total equity
	HK$'000	*HK$'000*	*HK$'000*
Balance as at 1 April 2013	–	629,496	629,496
Profit for the year	–	15,419	15,419
Balance as at 31 March 2014	–	644,915	644,915
Balance as at 1 April 2014	–	644,915	644,915
Profit for the year	–	92,245	92,245
Balance as at 31 March 2015	–	737,160	737,160
Balance as at 1 April 2015	–	737,160	737,160
Loss for the year	–	(25,879)	(25,879)
Balance as at 31 March 2016	–	711,281	711,281
Balance as at 1 April 2016	–	711,281	711,281
Loss for the period	–	(13,628)	(13,628)
Balance as at 31 August 2016	–	697,653	697,653
(Unaudited)			
Balance as at 1 April 2015	–	737,160	737,160
Profit for the period	–	28,384	28,384
Balance as at 31 August 2015	–	765,544	765,544

I. FINANCIAL INFORMATION OF THE TARGET GROUP (Continued)

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year ended 31 March			Five months ended 31 August	
		2014	2015	2016	2015	2016
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Cash flows from operating activities						
Profit/(loss) before taxation		15,820	93,828	(22,892)	28,543	(13,096)
Adjustments for:						
Dividend income	*17*	–	–	(633)	(512)	(341)
Depreciation of owned assets	*7*	682	790	789	332	328
Fair value (gains)/losses on investment properties	*6*	(16,671)	(84,000)	26,000	(30,000)	17,000
Loss on disposal of plant and equipment		–	–	14	–	–
Interest paid	*18*	770	2,496	2,513	984	1,054
Interest received	*17*	–	(93)	(60)	(27)	(21)
Provision for/(reversal of) impairment losses for an associate	*17*	3,335	169	(365)	(150)	(157)
Change in fair value on financial assets at fair value through profit or loss		–	–	10,235	8,789	(612)
		3,936	13,190	15,601	7,959	4,155
Changes in working capital						
(Increase)/decrease in trade receivables		(38)	528	(257)	(254)	–
(Increase)/decrease in other receivables		(87)	(15)	(3)	13	16
Increase/(decrease) in amounts due to directors		38	(3,998)	(4,040)	(2,940)	–
Decrease in amounts due to shareholders		–	–	(1,822)	(1,065)	(8)
Increase in other payables		2,332	58	129	89	260
Cash generated from operations		6,181	9,763	9,608	3,802	4,423
Interest received		–	93	60	27	21
Tax paid		(729)	(1,436)	(2,286)	(103)	(543)
Net cash generated from operating activities		5,452	8,420	7,382	3,726	3,901

I. FINANCIAL INFORMATION OF THE TARGET GROUP (Continued)

		Year ended 31 March			Five months ended 31 August	
		2014	2015	2016	2015	2016
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Cash flows from investing activities						
Investment in an associate		(19)	–	–	–	–
Increase in amounts due from an associate		(1,826)	–	–	–	–
(Increase)/decrease in loan to an associate		(1,490)	(169)	365	150	157
Dividend received	*17*	–	–	633	512	341
Purchase of investment property	*6*	(109,329)	–	–	–	–
Purchase of fixed assets	*7*	(310)	(538)	(10)	–	–
Purchase of short-term investments		–	–	(28,264)	(28,264)	(6,267)
Proceeds from disposal of short-term investments		–	–	–	–	14,912
Cash (used in)/generated from investing activities		(112,974)	(707)	(27,276)	(27,602)	9,143
Cash flows from financing activities						
Drawdown/(repayment) of bank loans		107,770	(5,327)	22,619	25,896	(11,124)
Interest paid		(770)	(2,496)	(2,513)	(984)	(1,054)
Cash generated from/(used in) financing activities		107,000	(7,823)	20,106	24,912	(12,178)
Net (decrease)/increase in cash and cash equivalents		(522)	(110)	212	1,036	866
Cash and cash equivalents at beginning of the year/period		971	449	339	339	551
Cash and cash equivalents at end of the year/period	*13*	449	339	551	1,375	1,417

II. NOTES TO FINANCIAL INFORMATION

1 CORPORATE INFORMATION

Maxforte Investments Company Limited is principally engaged in investment holding.

During the Relevant Periods, the principal activity of the Target Group was property investment and investment holding.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Financial Information are set out below. These policies have been consistently applied to the Relevant Periods, unless otherwise stated.

2.1 Basic of Preparation

The Financial Information have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA and accounting principles generally accepted in Hong Kong. They have been prepared under the historical cost convention, except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. These financial statements are presented in Hong Kong dollar ("HK$"), which is also the functional currency of the Target Group.

2.2 Statement of Compliance

The Financial Information have been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also comply with the applicable disclosure provisions of the Listing Rules.

During the current year, the Target Group has applied a number of new and revised Standards, Amendments to Standards and Interpretations ("new and revised HKFRSs") issued by the HKICPA which are relevant to its operations.

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The Target Group considered that the adoption of these new and revised HKFRSs had no material effect on the results and financial position of the Target Group and/or disclosures set out in the Financial Information.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Statement of Compliance (Continued)

New and revised Standards, Amendments to Standards and Interpretations in issue but not yet effective

The Target Group has not early applied the following new and revised standards, amendments to standards and interpretations that have been issued but are not yet effective.

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers[1]
HKFRS 16	Leases[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from Contracts with Customers[1]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 7	Disclosure Initiative[4]
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses[4]

1 Effective for annual periods beginning on or after 1 January 2018

2 Effective for annual periods beginning on or after 1 January 2019

3 Effective for annual periods beginning on or after a date to be determined

4 Effective for annual periods beginning on or after 1 January 2017

The Target Group is in the process of making an assessment of the potential impact of the above new and revised standards, amendments to standards and interpretations. The Target Group is not yet in a position to determine the impact of these new and revised standards, amendments to standards and interpretations on the results of operations and financial position of the Target Group.

2.3 Summary of Significant Accounting Policies

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Target Group has control. The Target Group controls an entity when the Target Group is exposed to, or has right to, variable returns from its involvement with entity and had the ability to affect those returns through its power over the entity. When assessing whether the Target Group has power of controls, only substantive rights held by the Target Group are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. All intra-group transactions, balances and realized surplus and deficits on transactions between group companies have been eliminated. Non-controlling interests represent the proportion of the results and net assets of subsidiaries not attributable to the Target Group.

In the Target Company's statement of financial position, an investment in a subsidiary is stated at cost less any impairment losses.

(b) Associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Target Group's share of the associate's net assets, unless it is classified as held for sale. The consolidated statement of profit or loss includes the Target Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in an associate recognized for the year.

In the Target Company's statement of financial position, its investment in an associate are stated at cost less impairment losses.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses (see note 2.3(f)). The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss and other comprehensive income in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Target Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Leasehold improvements	Over the shorter of the lease terms and 20% to 25%
Furniture and equipment	15% to 20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in profit or loss on the date of retirement or disposal.

(d) Investment properties

Investment properties are land and/or buildings, which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. Investment properties are stated in the statement of financial position at fair value. Any gain or loss arising from a change in fair value is recognized in profit or loss.

Subsequent costs are capitalized in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Target Group.

(e) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Target Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(e) Leased assets (Continued)

(i) Classification of assets leased to the Target Group

Assets held by the Target Group under leases which transfer to the Target Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Target Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as an investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Target Group, or taken over from the previous lessee.

(ii) Operating lease charges

Where the Target Group has the use of assets under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged as expenses in the accounting period in which they are incurred.

(iii) Leasehold land for own use

When a lease includes both land and building elements, the Target Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Target Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid land lease payments" in the statement of financial position and is amortised over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(f) Impairment of assets

(i) Impairment of investments in equity securities and other receivables

Investments in equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Target Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; and

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For investment in an associate accounted for under the equity method in the financial statements (see note 2.3(b)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2.3(f). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2.3(f).

– For trade receivables and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Target Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(f) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, an impairment loss previously recognised no longer exists or may have decreased:

– property, plant and equipment;

– investment properties; and

– investment in an associate in the Target Group's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying amount of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognized.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(g) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortized cost using the effective interest method, less allowance for impairment of doubtful debts, except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts (see note 2.3(f)(i)).

(h) Trade and other payables

Trade and other payables are initially recognised at fair value and are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(i) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Target Group's cash management.

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

(j) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Target Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(k) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax loses and unused tax credits.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(k) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Target Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Target Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Target Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(l) Revenue recognition

Revenue is recognized when it is probable that the economic benefits will flow to the Target Group and when the revenue can be measured reliably, on the following bases:

– rental income from properties, in the period in which the properties are let and on the straight-line basis over the lease terms;

– management fee income, on an accrual basis and recognized when the services are rendered; and

– interest income, on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(m) Retirement benefits costs

The Target Group participates in a defined contribution mandatory provident fund retirement benefits scheme in compliance with the Mandatory Provident Fund Schemes Ordinance. The assets of this scheme are held separately from those of the Target Group and administered independently. The Target Group's contributions are recognized in the statement of profit or loss when incurred. The amount of contributions by the Target Group is based on a specified percentage of the monthly relevant income of the eligible employees. Forfeited contributions of the fund will be used to reduce the existing retirement scheme costs.

(n) Foreign currencies

Functional and presentation currency

Items included in the financial statements of Target Group are measured using the currency of the primary economic environment in which the Target Group operates (the "functional currency").

(o) Related parties

(a) A person, or a close member of that person's family, is related to the Target Group if that person:

(i) has control or joint control over the Target Group;

(ii) has significant influence over the Target Group; or

(iii) is a member of the key management personnel of the Target Group or the Target Group's holding company.

(b) An entity is related to the Target Group if any of the following conditions applies:

(i) The entity and the Target Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group.

II. NOTES TO FINANCIAL INFORMATION (Continued)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Summary of Significant Accounting Policies (Continued)

(o) Related parties (Continued)

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Target Group or to the Target Group's holding company.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION OF UNCERTAINTY

The preparation of the Target Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Target Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating leases and finance leases – Target Group as lessor

The Target Group has entered into commercial property leases on its investment property portfolio. The Target Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases. The Target Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it transfers substantially all the rewards and risks incidental to ownership of the properties which are leased out on finance leases.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Useful lives of depreciable assets

The Target Group's management exercises its judgement in estimating the useful lives of the depreciable assets. The estimated useful lives reflect management's estimate of the periods the Target Group intends to derive future economic benefits from the use of these assets.

The Target Group depreciates the property, plant and equipment in accordance with the accounting policies stated in note 2.3(c) respectively to the financial statements. The net carrying amounts of property, plant and equipment are disclosed in note 7 to the financial statements.

II. NOTES TO FINANCIAL INFORMATION

4. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Target Group's principal financial instruments comprise financial assets at fair value through profit or loss, interest-bearing borrowings, amounts due to directors, amounts due to shareholders and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Target Group's operations. The Target Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Target Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors' reviews and agrees policies for managing each of these risks and they are summarized below.

Interest rate risk

The Target Group's exposure to the risk of changes in market interest rates relates primarily to interest-bearing borrowings which calculate at bank interest rate. The interest rates and terms of repayment of the Target Group's bank borrowings are disclosed in note 15 to the Financial Information.

The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variables held constant, of the Target Group's profit after taxation (through the impact on floating rate borrowings and mortgage bank loan) and the Target Group's equity.

	Increase/ (decrease) in basis points	**Increase/ (decrease) in profit/loss for the year/period and in equity** *HK$'000*
At 31 March 2014		
Interest-bearing borrowings		
Increase in interest rates	100	(899)
Decrease in interest rates	(100)	899
At 31 March 2015		
Interest-bearing borrowings		
Increase in interest rates	100	(855)
Decrease in interest rates	(100)	855
At 31 March 2016		
Interest-bearing borrowings		
Increase in interest rates	100	(1,044)
Decrease in interest rates	(100)	1,044
At 31 August 2016		
Interest-bearing borrowings		
Increase in interest rates	100	(951)
Decrease in interest rates	(100)	951

Foreign currency risk

The Target Group has no significant exposure to foreign currency risk as substantially all of the Target Group's transactions are denominated in its functional currency, HK$.

II. NOTES TO FINANCIAL INFORMATION (Continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Credit risk

The Target Group trades only with recognized and creditworthy third parties. It is the Target Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are not significant and monitored on an ongoing basis and the Target Group's exposure to bad debts is not significant.

The credit risk of the Target Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these assets.

Since the Target Group trades only with recognized and creditworthy third parties, there is no requirement for collateral. There are no significant concentrations of credit risk within the Target Group as the customer bases of the Target Group's trade receivables are widely dispersed.

Further quantitative data in respect of the Target Group's exposure to credit risk arising from trade receivables and other receivables are disclosed in notes 11 and 12 to the financial statements, respectively.

Liquidity risk

The Target Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank facilities.

The maturity profile of the Target Group's financial liabilities as at the year end date, based on the contracted undiscounted payments, was as follows:

At 31 March 2014

	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due to directors	8,038	–	–	–	8,038
Amounts due to shareholders	55,630	–	–	–	55,630
Interest-bearing borrowings	107,770	–	–	–	107,770
Rental deposit received	4,199	–	–	–	4,199
	175,637	–	–	–	175,637

At 31 March 2015

	Within 1 year or on demand	1 to 2 years	2 to 5 years	Over 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due to directors	4,040	–	–	–	4,040
Amounts due to shareholders	55,630	–	–	–	55,630
Interest-bearing borrowings	102,443	–	–	–	102,443
Rental deposit received	4,254	–	–	–	4,254
	166,367	–	–	–	166,367

II. NOTES TO FINANCIAL INFORMATION (Continued)

4. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

At 31 March 2016

	Within 1 year or on demand *HK$'000*	**1 to 2 years** *HK$'000*	**2 to 5 years** *HK$'000*	**Over 5 years** *HK$'000*	**Total** *HK$'000*
Amounts due to directors	–	–	–	–	–
Amounts due to shareholders	53,808	–	–	–	53,808
Interest-bearing borrowings	125,062	–	–	–	125,062
Rental deposit received	2,627	–	723	1,029	4,379
	181,497	–	723	1,029	183,249

At 31 August 2016

	Within 1 year or on demand *HK$'000*	**1 to 2 years** *HK$'000*	**2 to 5 years** *HK$'000*	**Over 5 years** *HK$'000*	**Total** *HK$'000*
Amounts due to directors	–	–	–	–	–
Amounts due to shareholders	53,800	–	–	–	53,800
Interest-bearing borrowings	113,938	–	–	–	113,938
Rental deposit received	2,846	723	1,029	–	4,598
	170,584	723	1,029	–	172,336

5. CAPITAL MANAGEMENT

The primary objectives of the Target Group's capital management are to safeguard the Target Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximize shareholders' value.

The Target Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Target Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2014, 2015 and 2016 and the five months ended 31 August 2016.

6. INVESTMENT PROPERTIES

	Total *HK$'000*
31 March 2014	
At valuation at 1 April 2013	691,000
Additions	109,329
Changes in fair value	16,671
At 31 March 2014	817,000

II. NOTES TO FINANCIAL INFORMATION (Continued)

6. INVESTMENT PROPERTIES (Continued)

	Total
	HK$'000
31 March 2015	
At valuation at 1 April 2014	817,000
Changes in fair value	84,000
At 31 March 2015	901,000
31 March 2016	
At valuation at 1 April 2015	901,000
Changes in fair value	(26,000)
At 31 March 2016	875,000
31 August 2016	
At valuation at 1 April 2016	875,000
Changes in fair value	(17,000)
At 31 August 2016	858,000

Investment properties comprised the following:

	March 2014	**March 2015**	**March 2016**	**August 2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At valuation:				
Leasehold properties in Hong Kong	817,000	901,000	875,000	858,000

Investment properties have been valued at 31 March 2014, 2015 and 2016 and 31 August 2016 by Colliers International (Hong Kong) Ltd., an independent professional valuer, who have recognized relevant professional qualifications and experiences in valuation of properties. The directors had on-going discussions with the surveyors upon producing the valuation reports in respect of valuation assumption use and other inputs relevant for the valuations of the Target Group's investment properties.

II. NOTES TO FINANCIAL INFORMATION (Continued)

6. INVESTMENT PROPERTIES (Continued)

The following table presents the investment properties measured at fair value on a recurring basis, categorized into the three-level fair value hierarchy as defined in HKFRS 13 Fair Value Measurement. Inputs used in determining fair value measurement are categorized into different levels based on how observable the inputs used in the valuation technique.

Descriptions	Fair value	Fair value measurement categorized into: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
As at 31 March 2014				
Investment properties in Hong Kong	817,000	–	–	817,000
As at 31 March 2015				
Investment properties in Hong Kong	901,000	–	–	901,000
As at 31 March 2016				
Investment properties in Hong Kong	875,000	–	–	875,000
As at 31 August 2016				
Investment properties in Hong Kong	858,000	–	–	858,000

During the Relevant Periods, there were no transfers between level 1 and 2, or transfer out of level 3. The Target Group's policy is to recognize transfer as at the end of the reporting period in which they occur.

The fair value of the investment properties were determined on the basis of capitalization of the net income receivable with due allowance for reversionary income potential.

II. NOTES TO FINANCIAL INFORMATION (Continued)

6. INVESTMENT PROPERTIES (Continued)

Information about fair value measurement using significant unobservable inputs

31 March 2014

Descriptions	Fair value as at 31 March 2014 *HK$'000*	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Property in Sai Ying Pun (Property to be acquired)	703,000	Income approach	(i) Capitalization rate	2.75%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$36.8 psf per month	The higher the market rent, the higher the fair value
Property in Tin Wan	114,000	Income approach	(i) Capitalization rate	3.25%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$11.5 psf per month	The higher the market rent, the higher the fair value
	817,000				

II. NOTES TO FINANCIAL INFORMATION (Continued)

6. INVESTMENT PROPERTIES (Continued)

Information about fair value measurement using significant unobservable inputs (Continued)

31 March 2015

Descriptions	Fair value as at 31 March 2015 *HK$'000*	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Property in Sai Ying Pun (Property to be acquired)	765,000	Income approach	(i) Capitalization rate	2.75%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$40.1 psf per month	The higher the market rent, the higher the fair value
Property in Tin Wan	136,000	Income approach	(i) Capitalization rate	3.25%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$13.7 psf per month	The higher the market rent, the higher the fair value
	901,000				

II. NOTES TO FINANCIAL INFORMATION (Continued)

6. INVESTMENT PROPERTIES (Continued)

Information about fair value measurement using significant unobservable inputs (Continued)

31 March 2016

Descriptions	**Fair value as at 31 March 2016** *HK$'000*	**Valuation techniques**	**Unobservable inputs**	**Range of unobservable inputs**	**Relationship of unobservable inputs to fair value**
Property in Sai Ying Pun (Property to be acquired)	732,000	Income approach	(i) Capitalization rate	3.00%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$41.8 psf per month	The higher the market rent, the higher the fair value
Property in Tin Wan	143,000	Income approach	(i) Capitalization rate	3.25%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$14.4 psf per month	The higher the market rent, the higher the fair value
	875,000				

II. NOTES TO FINANCIAL INFORMATION (Continued)

6. INVESTMENT PROPERTIES (Continued)

Information about fair value measurement using significant unobservable inputs (Continued)

31 August 2016

Descriptions	Fair value as at 31 August 2016 *HK$'000*	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Property in Sai Ying Pun (Property to be acquired)	715,000	Income approach	(i) Capitalization rate	3.00%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$41.4 psf per month	The higher the market rent, the higher the fair value
Property in Tin Wan	143,000	Income approach	(i) Capitalization rate	3.25%	The higher the capitalization rate, the lower the fair value
			(ii) Market rent	HK$14.4 psf per month	The higher the market rent, the higher the fair value
	858,000				

The fair value measurement of investment properties is based on the highest and best use, which does not differ from their actual use.

II. NOTES TO FINANCIAL INFORMATION (Continued)

7. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture and equipment *HK$'000*	Total *HK$'000*
31 March 2014			
At 1 April 2013			
Cost	7,234	16	7,250
Accumulated depreciation	(4,754)	(16)	(4,770)
Net carrying amount	2,480	–	2,480
At 1 April 2013, net of accumulated depreciation	2,480	–	2,480
Additions	309	1	310
Depreciation provided during the year	(682)	–	(682)
At 31 March 2014, net of accumulated depreciation	2,107	1	2,108
At 31 March 2014:			
Cost	7,543	17	7,560
Accumulated depreciation	(5,436)	(16)	(5,452)
Net carrying amount	2,107	1	2,108
31 March 2015			
At 1 April 2014			
Cost	7,543	17	7,560
Accumulated depreciation	(5,436)	(16)	(5,452)
Net carrying amount	2,107	1	2,108
At 1 April 2014, net of accumulated depreciation	2,107	1	2,108
Additions	534	4	538
Depreciation provided during the year	(789)	(1)	(790)
At 31 March 2015, net of accumulated depreciation	1,852	4	1,856
At 31 March 2015:			
Cost	8,077	21	8,098
Accumulated depreciation	(6,225)	(17)	(6,242)
Net carrying amount	1,852	4	1,856

II. NOTES TO FINANCIAL INFORMATION (Continued)

7. PROPERTY, PLANT AND EQUIPMENT (Continued)

	Leasehold improvements *HK$'000*	Furniture and equipment *HK$'000*	Total *HK$'000*
31 March 2016			
At 1 April 2015			
Cost	8,077	21	8,098
Accumulated depreciation	(6,225)	(17)	(6,242)
Net carrying amount	1,852	4	1,856
At 1 April 2015, net of accumulated depreciation	1,852	4	1,856
Additions	–	10	10
Disposal	–	(31)	(31)
Depreciation provided during the year	(789)	–	(789)
Depreciation written back on disposal	–	17	17
At 31 March 2016, net of accumulated depreciation	1,063	–	1,063
At 31 March 2016:			
Cost	8,077	–	8,077
Accumulated depreciation	(7,014)	–	(7,014)
Net carrying amount	1,063	–	1,063
31 August 2016			
At 1 April 2016			
Cost	8,077	–	8,077
Accumulated depreciation	(7,014)	–	(7,014)
Net carrying amount	1,063	–	1,063
At 1 April 2016, net of accumulated depreciation	1,063	–	1,063
Depreciation provided during the period	(328)	–	(328)
At 31 August 2016, net of accumulated depreciation	735	–	735
At 31 August 2016:			
Cost	8,077	–	8,077
Accumulated depreciation	(7,342)	–	(7,342)
Net carrying amount	735	–	735

II. NOTES TO FINANCIAL INFORMATION (Continued)

8. INVESTMENT IN AN ASSOCIATE

	As at 31 March 2014 HK$'000	As at 31 March 2015 HK$'000	As at 31 March 2016 HK$'000	As at 31 August 2016 HK$'000
Cost of investment	19	19	19	19
Provision for impairment	(3,335)	(3,504)	(3,139)	(2,982)
Amounts due from an associate	1,826	1,826	1,826	1,826
Loan to an associate	1,490	1,659	1,294	1,137
	–	–	–	–

Particulars of the associate are as follows:

Name of associate	Form of business structure	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Company's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Endless Love Nursing Centre (Sheung Wan) Company Limited	Incorporated	Hong Kong	92,367 ordinary shares	21%	21%	–	Provision of elderly nursing services

9. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

Financial assets

	As at 31 March 2014 Financial assets at fair value through profit or loss HK$'000	As at 31 March 2015 Financial assets at fair value through profit or loss HK$'000	As at 31 March 2016 Financial assets at fair value through profit or loss HK$'000	As at 31 August 2016 Financial assets at fair value through profit or loss HK$'000
Listed shares, at market value in Hong Kong	–	–	18,029	9,996

II. NOTES TO FINANCIAL INFORMATION (Continued)

9. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial assets (Continued)

	As at 31 March			As at 31 August
	2014	2015	2016	2016
	Loan and receivables	Loan and receivables	Loan and receivables	Loan and receivables
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	528	–	257	257
Other receivables	117	117	135	119
Cash and cash equivalents	449	339	551	1,417
	1,094	456	943	1,793

Financial liabilities

	As at 31 March			As at 31 August
	2014	2015	2016	2016
	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost	Financial liabilities at amortised cost
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amounts due to directors	8,038	4,040	–	–
Amounts due to shareholders	55,630	55,630	53,808	53,800
Interest-bearing borrowings	107,770	102,443	125,062	113,938
Other payables	4,199	4,254	4,379	4,598
	175,637	166,367	183,249	172,336

10. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 March			As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Listed shares, at market value in Hong Kong	–	–	18,029	9,996

All of the financial assets at fair value through profit or loss as at 31 March 2016 were measured using quoted price in active markets for identical financial instruments (level 1 inputs). They are derived from the current bid price of the listed shares at the end of reporting date.

II. NOTES TO FINANCIAL INFORMATION (Continued)

11. TRADE RECEIVABLES

	As at 31 March			As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 months	528	–	257	257

The aging analysis of the trade receivables that are not individually nor collectively considered to be impaired is as follows:

	As at 31 March			As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Less than 1 month past due	528	–	257	257

Receivables that were neither past due nor impaired relate to customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Target Group. Based on past experience, the directors of the Target Group are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

12. OTHER RECEIVABLES

	As at 31 March			As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Dividend receivable	–	–	16	–
Prepayment	–	15	–	–
Rental deposits	117	117	119	119
	117	132	135	119

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

II. NOTES TO FINANCIAL INFORMATION (Continued)

13. CASH AND CASH EQUIVALENTS

		As at 31 March		As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash and cash equivalents	449	339	551	1,417

14. OTHER PAYABLES

		As at 31 March		As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Accruals	40	43	47	88
Deposit received	4,199	4,254	4,379	4,598
Receipt in advance	85	85	85	85
	4,324	4,382	4,511	4,771

15. INTEREST-BEARING BORROWINGS

Secured Bank Loans

		As at 31 March		As at 31 August
	2014	2015	2016	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current				
Repayable within one year	107,770	102,443	125,062	113,938
Effective interest rate	2.29% – 2.33%	2.32%	2.02% – 2.11%	1.89% – 2.11%

All bank loans are denominated in Hong Kong dollars. The carrying amount of bank loans approximates their fair value based on prevailing market interest rate.

16. SHARE CAPITAL

	No. of shares	*HK$*
Ordinary shares, issued and fully paid:		
At 31 March 2014, 31 March 2015, 31 March 2016 and 31 August 2016	24	24

II. NOTES TO FINANCIAL INFORMATION (Continued)

17. REVENUE, OTHER REVENUE AND GAINS/(LOSSES)

	Year ended 31 March			Five months ended 31 August	
	2014	**2015**	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Revenue					
Management fee income	104	108	145	23	80
Rental income	14,386	19,686	20,171	8,324	8,626
	14,490	19,794	20,316	8,347	8,706
Other revenue and gains/(losses)					
Dividend income	–	–	633	512	341
Loan interest income	–	93	60	27	21
(Provision for)/reversal of impairment losses for an associate	(3,335)	(169)	365	150	157
Change in fair value on financial assets at fair value through profit or loss	–	–	(10,235)	(8,789)	612
Others	95	95	62	57	–
	(3,240)	19	(9,115)	(8,043)	1,131

18. FINANCE COSTS

	Year ended 31 March			Five months ended 31 August	
	2014	**2015**	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Interests on bank loans	770	2,496	2,513	984	1,054

II. NOTES TO FINANCIAL INFORMATION (Continued)

19. PROFIT/(LOSS) BEFORE TAXATION

	Year ended 31 March			Five months ended 31 August	
	2014	**2015**	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Profit/(loss) before taxation has been arrived at after charging/(crediting):					
Auditors' remuneration	26	32	21	13	34
Depreciation of owned assets	682	790	789	332	328
Directors' fees	9,600	5,600	3,600	–	4,000
Rental income from investment properties	(14,386)	(19,686)	(20,171)	(8,324)	(8,626)
Less: Direct outgoings	565	883	829	317	464
Provision for/(reversal of) impairment losses for an associate	3,335	169	(365)	(150)	(157)
Change in fair value on financial assets at fair value through profit or loss	–	–	10,235	8,789	(612)

20. INCOME TAX EXPENSES

	Year ended 31 March			Five months ended 31 August	
	2014	**2015**	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (Unaudited)	*HK$'000*
Current tax – Hong Kong profits tax					
Charged for the year	242	1,275	137	–	373
Adjustment for under-provision in previous years	–	149	2,691	–	–
	242	1,424	2,828	–	373
Deferred tax					
Charged for the year	159	159	159	159	159
	401	1,583	2,987	159	532

Hong Kong profits tax is arrived at 16.5% on the estimated assessable profits for the year/period and deduction of tax concession during the Relevant Periods.

II. NOTES TO FINANCIAL INFORMATION (Continued)

20. INCOME TAX EXPENSES (Continued)

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

	Year ended 31 March			Five months ended 31 August	
	2014	**2015**	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Profit before tax	15,820	93,828	(22,892)	28,543	(13,096)
Tax at statutory rate	2,610	15,481	(3,777)	4,709	(2,160)
Tax effect of expenses not deductible	562	28	4,292	2	2,842
Tax effect of income not taxable	(2,750)	(13,871)	(165)	(5,059)	(82)
Tax effect of unrecognized temporary differences	(353)	(221)	(112)	(187)	(189)
Tax effect of recognized temporary differences	159	159	159	159	159
Adjustment for under-provision in previous years	–	149	2,691	–	–
Tax effect of tax concession	(10)	(20)	(40)	(34)	(38)
Utilization of tax losses previously not recognized	–	(122)	(61)	–	–
Tax effect of unused tax losses not recognized	183	–	–	569	–
	401	1,583	2,987	159	532

21. FIVE HIGHEST-PAID INDIVIDUALS

The aggregate of the emoluments in respect of the five highest-paid individuals for the years ended 31 March 2014, 2015 and 2016 and the five months ended 31 August 2015 and 2016 are as follows:

	Year ended 31 March			Five months ended 31 August	
	2014	**2015**	**2016**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(Unaudited)	
Salaries, allowances and other benefits	9,600	5,600	3,600	–	4,000
	9,600	5,600	3,600	–	4,000

II. NOTES TO FINANCIAL INFORMATION (Continued)

21. FIVE HIGHEST-PAID INDIVIDUALS (Continued)

During the Relevant Period, the five highest paid individuals are all the directors of the Target Group. The number of highest-paid individual fell within emoluments bands is as follows:

	Year ended 31 March			Five months ended 31 August	
	2014	2015	2016	2015	2016
				(Unaudited)	
HK$					
Nil – 1,000,000	2	2	4	5	4
1,000,001 – 1,500,000	–	2	1	–	–
1,500,001 – 2,000,000	–	1	–	–	1
2,000,001 – 2,500,000	2	–	–	–	–
4,500,001 – 5,000,000	1	–	–	–	–

During the Relevant Periods, no emoluments or incentive payments were paid to the directors and the five highest-paid individuals as an inducement to join or upon joining the Target Group, or as compensation for loss of office.

22. RELATED PARTY TRANSACTIONS AND BALANCES

(a) In addition to the transactions detailed elsewhere in these financial statements, the Company had the following transactions with related parties for the year/period:

		Year ended 31 March			Five months ended 31 August	
	Notes	2014	2015	2016	2015	2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(Unaudited)	
Interest income with an associate	*(i)*	–	93	60	27	20
Rental income with an associate	*(ii)*	2,940	2,940	3,034	1,286	1,286
		2,940	3,033	3,094	1,313	1,306

(i) The interest income arose from loan to an associate, Endless Love Nursing Centre (Sheung Wan) Company Limited, which was unsecured and bore interest at 4% per annum during the Relevant Periods.

(ii) The rental income arose from an associate, Endless Love Nursing Centre (Sheung Wan) Company Limited.

II. NOTES TO FINANCIAL INFORMATION (Continued)

22. RELATED PARTY TRANSACTIONS AND BALANCES (Continued)

(b) Outstanding balances with related parties:

	Note	As at 31 March 2014	2015	2016	As at 31 August 2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Due to related parties					
Amounts due to shareholders	*(i)*	(55,630)	(55,630)	(53,808)	(53,800)
Amounts due to directors	*(i)*	(8,038)	(4,040)	–	–
		(63,668)	(59,670)	(53,808)	(53,800)

Note:

(i) The amounts due to the shareholders and directors, which were unsecured, interest free and repayable on demand.

23. OPERATING LEASE ARRANGEMENTS

	As at 31 March 2014	2015	2016	As at 31 August 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 1 year	17,682	14,716	13,721	16,433
In the 2nd to 5th years inclusive	21,142	14,948	18,399	15,872
Beyond 5 years	490	–	1,183	–
	39,314	29,664	33,303	32,305

24. INVESTMENT IN A SUBSIDIARY

	As at 31 March 2014	2015	2016	As at 31 August 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Unlisted shares, at cost	10	10	10	10
Amounts due from a subsidiary	109,041	107,616	105,816	105,054
	109,051	107,626	105,826	105,064

II. NOTES TO FINANCIAL INFORMATION (Continued)

24. INVESTMENT IN A SUBSIDIARY (Continued)

Particulars of the subsidiary are as follows:

Name of company	Place of incorporation and business	Particulars of issued and paid up capital	Proportion of ownership interest: Company's effective interest	Held by the Company	Held by a subsidiary	Principal activity
Maxwell Worldwide Limited	Hong Kong	10,000 ordinary shares	100%	100%	–	Property investment

25. STATEMENT OF FINANCIAL POSITION OF THE TARGET COMPANY

Information about the statement of financial position of the Target Company at the end of each of the Relevant Periods is as follows:

	As at 31 March 2014	2015	2016	As at 31 August 2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Investment property	703,000	765,000	732,000	715,000
Investment in a subsidiary	109,051	107,626	105,826	105,064
Investment in an associate	–	–	–	–
Property, plant and equipment	2,108	1,856	1,063	735
	814,159	874,482	838,889	820,799
Current assets				
Financial assets at fair value through profit or loss	–	–	18,029	9,996
Tax recoverable	1,084	1,096	668	856
Trade receivables	528	–	257	257
Other receivables	30	45	48	32
Cash and cash equivalents	420	334	501	1,349
	2,062	1,475	19,503	12,490
LIABILITIES				
Current Liabilities				
Amounts due to directors	8,038	4,040	–	–
Amounts due to shareholders	55,630	55,630	53,808	53,800
Interest-bearing borrowings	107,770	102,443	125,062	113,938
Other payables	3,474	3,532	3,660	3,908
	174,912	165,645	182,530	171,646
Net current liabilities	(172,850)	(164,170)	(163,027)	(159,156)
Non-current liabilities				
Deferred tax liabilities	500	550	600	650
Total assets less total liabilities	640,809	709,762	675,262	660,993

II. NOTES TO FINANCIAL INFORMATION (Continued)

25. STATEMENT OF FINANCIAL POSITION OF THE TARGET COMPANY (Continued)

	As at 31 March			As at 31 August
	2014	**2015**	**2016**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
EQUITY				
Capital and reserves attributable to equity holders of the Target Company				
Share capital	–	–	–	–
Reserves *(note)*	640,809	709,762	675,262	660,993
Total equities	640,809	709,762	675,262	660,993

Note:

A summary of the Target Company's reserves is as follow:

	Retained earning
	HK$'000
Balance as at 1 April 2013	629,503
Profit for the year	11,306
Balance as at 31 March 2014	640,809
Balance as at 1 April 2014	640,809
Profit for the year	68,953
Balance as at 31 March 2015	709,762
Balance as at 1 April 2015	709,762
Loss for the year	(34,500)
Balance as at 31 March 2016	675,262
Balance as at 1 April 2016	675,262
Loss for the period	(14,269)
Balance as at 31 August 2016	660,993

The following is the management discussion and analysis of the performance of the Target Group.

FOR THE PERIOD FROM 1 APRIL 2013 TO 31 MARCH 2014

(a) Business Review and Financial Results

The Target Group's business was property investment for rental purpose. There were two investment properties held during the period. The Property was directly held by Maxforte throughout the whole reporting period. The other property in Tin Wan, Hong Kong was acquired for HK$109.3 million by the group's subsidiary in January 2014. For the reporting period, the Target Group's revenue and profit were HK$14.5 million and HK$15.4 million respectively.

The Property had an occupancy of 100% and recorded

- Rental revenue of HK$13.8 million;
- Net operating profit of HK$13.4 million; and
- A fair value of HK$703.0 million, increase of HK$12.0 million from last year.

No employee was hired throughout the reporting period.

Throughout the reporting period, the Target Group did not have any future plans for material investments.

(b) Financial Resources, Liquidity, Capital Structure, Gearing Ratio and Charges On Assets

As at 31 March 2014, the Target Group had cash and equity of HK$0.4 million and HK$644.9 million respectively. The day to day operation of the Property was funded by its rental revenue. The capital structure comprised of (i) shareholders' loan of HK$55.6 million and (ii) a bank loan of HK$107.8 million. The bank loan was secured by the pledge of the Property and its rental assignments with an interest rate of HIBOR + 1.8% per annum. The bank loan principal was to be amortized monthly with maturity in 2030. The gearing ratio of the Target Group (bank borrowing to total assets) was approximately 13.1%.

(c) Foreign Exchange Exposure and Contingent Liabilities

During the reporting period, the Target Group did not have foreign exchange exposure nor any material contingent liabilities.

FOR THE PERIOD FROM 1 APRIL 2014 TO 31 MARCH 2015

(a) Business Review and Financial Results

The Target Group had two investment properties for rental purpose held throughout the period. The group revenue and profit were HK$19.8 million and HK$92.2 million respectively. The profit was mainly attributed to the property fair value increase of HK$84.0 million.

Throughout the reporting period, the Target Group did not have any material acquisitions or disposals.

The Property had an occupancy of 100% and recorded

- Rental revenue of HK$15.3 million (2014: HK$13.8 million);
- Net operating profit of HK$15.0 million (2014: HK$13.4 million); and
- A fair value of HK$765.0 million, increase of HK$62.0 million from last year.

No employee was hired throughout the reporting period.

Throughout the reporting period, the Target Group did not have any future plans for material investments.

(b) Financial Resources, Liquidity, Capital Structure, Gearing Ratio and Charges On Assets

As at 31 March 2015, the Target Group had cash and equity of HK$0.3 million and HK$737.2 million respectively. The day to day operation of the Property was funded by its rental revenue. The capital structure comprised of (i) shareholders' loan of HK$55.6 million and (ii) a bank loan of HK$102.4 million. The bank loan was secured by the pledge of the Property and its rental assignments with an interest rate of HIBOR + 1.8% per annum. The bank loan principal was to be amortized monthly with maturity in 2030. The gearing ratio of the Target Group (bank borrowing to total assets) was approximately 11.3%.

(c) Foreign Exchange Exposure and Contingent Liabilities

During the reporting period, the Target Group did not have foreign exchange exposure nor any material contingent liabilities.

FOR THE PERIOD FROM 1 APRIL 2015 TO 31 MARCH 2016

(a) Business Review and Financial Results

During the reporting period, the Target Group, in addition to property investment for rental purpose, commenced to invest in listed securities for trading purpose. The group revenue and loss were HK$20.3 million and HK$25.9 million respectively. The loss was attributed to property fair value decrease of HK$26.0 million and impairment loss of listed securities of HK$10.2 million.

Throughout the reporting period, the Target Group did not have any material acquisitions or disposals.

The Property had an occupancy of 100% and recorded

- Rental revenue of HK$15.8 million (2015: HK$15.3 million);
- Net operating profit of HK$15.4 million (2015: HK$15.0 million); and
- A fair value of HK$732.0 million, decrease of HK$33.0 million from last year.

No employee was hired throughout the reporting period.

Throughout the reporting period, the Target Group did not have any future plans for material investments.

(b) Financial Resources, Liquidity, Capital Structure, Gearing Ratio and Charges On Assets

As at 31 March 2016, the Target Group had cash and equity of HK$0.6 million and HK$711.3 million respectively. The day to day operation of the Property was funded by its rental revenue. The capital structure comprised of (i) shareholders' loan of HK$53.8 million and (ii) a bank loan of HK$125.1 million. The bank loan was secured by the pledge of the Property and its rental assignments with an interest rate of HIBOR + 1.8% per annum. The bank loan principal was to be amortized monthly with maturity in 2030. The gearing ratio of the Target Group (bank borrowing to total assets) was approximately 14.0%.

(c) Foreign Exchange Exposure and Contingent Liabilities

During the reporting period, the Target Group did not have foreign exchange exposure nor any material contingent liabilities.

FOR THE PERIOD FROM 1 APRIL 2016 TO 31 AUGUST 2016

(a) Business Review and Financial Results

During the reporting period, the Target Group's business remained property rental and listed securities trading. The group revenue and loss were HK$8.7 million and HK$13.6 million respectively. The loss was attributed to property fair value decrease of HK$17.0 million.

Throughout the reporting period, the Target Group did not have any material acquisitions or disposals.

The Property had an occupancy of 100% and recorded

- Rental revenue of HK$6.8 million (corresponding period: HK$6.5 million);
- Net operating profit of HK$6.6 million (corresponding period: HK$6.3 million); and
- A fair value of HK$715.0 million, decrease of HK$17.0 million from 31 March 2016.

No employee was hired throughout the reporting period.

Throughout the reporting period, the Target Group did not have any future plans for material investments.

(b) Financial Resources, Liquidity, Capital Structure, Gearing Ratio and Charges On Assets

As at 31 August 2016, the Target Group had cash and equity of HK$1.4 million and HK$697.7 million respectively. The day to day operation of the Property was funded by its rental revenue. The capital structure comprised of (i) shareholders' loan of HK$53.8 million and (ii) a bank loan of HK$113.9 million. The bank loan was secured by the pledge of the Property and its rental assignments with an interest rate of HIBOR + 1.8% per annum. The bank loan principal was to be amortized monthly with maturity in 2030. The gearing ratio of the Target Group (bank borrowing to total assets) was approximately 13.1%.

(c) Foreign Exchange Exposure and Contingent Liabilities

During the reporting period, the Target Group did not have foreign exchange exposure nor any material contingent liabilities.

1. INTRODUCTION OF THE UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

The following is the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group (the "Unaudited Pro Forma Financial Information") which has been prepared in accordance with paragraph 29 of Chapter 4 of the Listing Rules for the purpose of illustrating the effect on the assets and liabilities of the Enlarged Group as if the acquisition of the Target Group (the "Acquisition") had been completed on 30 September 2016.

The Unaudited Pro Forma Financial Information of the Enlarged Group as at 30 September 2016 has been prepared based on the information as set out in:

(a) the unaudited consolidated statement of financial position of the Group as at 30 September 2016 which has been extracted from the published interim results of the Company for the six months ended 30 September 2016;

(b) after taking into account of the unaudited pro forma adjustments, which are directly attributable to the Acquisition and factually supportable, as described in the notes thereto to demonstrate how the Acquisition might have affected the historical financial information in respect of the Group as if the Acquisition had been completed on 30 September 2016.

The Unaudited Pro Forma Financial Information should be read in conjunction with the "Financial Information of the Group" set forth in Appendix I to this Circular, the "Accountants' Report on the Target Group" set forth in Appendix IIA to this Circular, and other financial information included elsewhere of this Circular.

The Unaudited Pro Forma Financial Information of the Enlarged Group has been prepared by the Directors of the Company for illustrative purposes only and is based on a number of assumptions, estimates, uncertainties and currently available information. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not reflect the true picture of the consolidated financial position of the Enlarged Group as at 30 September 2016 or at any future date.

Unaudited Pro Forma Consolidated Statement of Assets and Liabilities of the Enlarged Group

	The Group As at 30 September 2016	The Target Group As at 31 August 2016		Pro Forma Adjustments			Pro Forma Adjustments Total	Pro Forma of the Enlarged Group
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3a*	*Note 3b*	*Note 4*	*Note 5*		
ASSETS								
Non-current assets								
Investment properties	6,483,300	858,000	(143,000)	(67,000)			(210,000)	7,131,300
Associates	1,020,627						–	1,020,627
Available-for-sale investments	472,945						–	472,945
Property, plant and equipment	1,326	735	(735)				(735)	1,326
Other assets	300							300
	7,978,498							8,626,498
Current assets								
Debtors, advances & prepayments	103,751	376	(376)				(376)	103,751
Available-for-sale investments	68,913							68,913
Financial assets at fair value	1,219	9,996	(9,996)				(9,996)	1,219
Cash and cash equivalents	233,469	1,417	2,212	(583,200)	500,000	(8,156)	(89,144)	145,742
Tax assets	–	856	(856)				(856)	–
	407,352							319,625
Total assets	8,385,850							8,946,123
LIABILITIES								
Non-current liabilities								
Creditors & accruals	54,706							54,706
Secured bank loans	1,252,752				400,000		400,000	1,652,752
Deferred taxation	58,775	1,086	(1,086)				(1,086)	58,775
	1,366,233							1,766,233
Current liabilities								
Creditors & accruals	34,536	58,571	(54,942)				(54,942)	38,165
Secured bank loans	763,500	113,938	(113,938)		100,000		(13,938)	863,500
Tax payables	7,464	132	(132)				(132)	7,464
	805,500							909,129
Total liabilities	2,171,733							2,675,362
Total assets less liabilities	6,214,117							6,270,761

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

(1) The balances were extracted from the unaudited consolidated statement of financial position of the Group as at 30 September 2016 as set out in the Company's published interim results for the six months ended 30 September 2016.

(2) The statement of assets and liabilities of the Target Group as at 31 August 2016 is extracted from the accountants' report of as set out in Appendix IIA to this Circular. It is assumed that the Target Group has no significant transactions or events occurred between 31 August 2016 and 30 September 2016.

(3) Pursuant to the share purchase agreement ("SPA"), all assets and liabilities of the Target Group, other than the Property and any related operations, are to be disposed of by the Sellers before the Completion.

(a) The adjustment represents the disposal of those assets and liabilities other than the Property with carrying amounts of HK$715,000,000 and the rental deposit received of HK$3,629,000 which is related to the Property and its operations.

(b) The adjustment represents the change in fair value on the Property from 31 August 2016 to the date of Completion. It is assumed that the fair value of the Property at the date of Completion approximates the aggregate consideration amounting to HK$648,000,000. A total deposit of HK$64,800,000 was paid prior to entering of the SPA and the balance of the consideration amounts to HK$583,200,000.

(4) The adjustment represents the application of bank loans, which form part of the consideration of the Acquisition.

(5) Direct expenses relating to the Acquisitions of approximately HK$8,156,000 including stamp duty of approximately HK$1,296,000, commission fee of approximately HK$4,860,000 (equivalent to 0.75% of the purchase consideration) and legal and professional fees of approximately HK$2,000,000. The Group will settle the consideration and direct expenses by cash.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT IN THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

The following is the text of a report received from the reporting accountants of the Company, CHENG & CHENG LIMITED, Certificated Public Accountants, Hong Kong, prepared for the purpose of incorporation in this circular, in respect of the Unaudited Pro Forma Financial Information of the Enlarged Group.

CHENG & CHENG LIMITED
CERTIFIED PUBLIC ACCOUNTANTS
鄭鄭會計師事務所有限公司

香港灣仔告士打道138號聯合鹿島大廈1003–1005室 電話:2598 8663
Rms 1003-1005, Allied Kajima Bldg, 138 Gloucester Rd., Wanchai, HK Tel: 2598 8663

10/F., Allied Kajima Building,
138 Gloucester Road,
Wanchai,
Hong Kong

22 December 2016

The Directors
Pioneer Global Group Limited

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Pioneer Global 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 pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 30 September 2016 and the related notes set out on pages III-2 to III-3 of the circular dated 22 December 2016 issued by the Company (the "Circular") (the "Unaudited Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on page III-1 of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the acquisition of the Target Group (the "Acquisition") on the financial position of the Group as at 30 September 2016, as if the Acquisition had taken place on 30 September 2016. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's unaudited interim financial information for the period ended 30 September 2016, on which an unaudited report has been published.

DIRECTORS' RESPONSIBILITY FOR THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 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 ("AG") 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars 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.

Our 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 ACCOUNTANTS' RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 4.29(7) 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 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 accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 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 Acquisition on unadjusted financial information of the Group as if the Acquisition 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 Acquisition 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 Acquisition, 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 accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the Acquisition 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 complied on the basis stated;

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

(c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,
CHENG & CHENG LIMITED
Certified Public Accountants
Hong Kong

The following is the text of a letter, valuation summary and valuation certificates prepared for the purpose of incorporation in this prospectus received from Colliers International (Hong Kong) Limited, an independent valuer, in connection with its valuation as at 1 October 2016 of the Property purchased by the Group. Terms defined in this appendix applies to this appendix only.

Colliers International (Hong Kong) Ltd
Valuation & Advisory Services
Company Licence No: C-006052

Suite 5701 Central Plaza
18 Harbour Road Wanchai
Hong Kong

MAIN 852 2828 9888
FAX 852 2107 6051
www.colliers.com

The Board of Directors
Pioneer Global Group Limited
18th Floor
68 Yee Wo Street
Causeway Bay
Hong Kong

22 December 2016

Dear Sirs,

INSTRUCTIONS, PURPOSE AND VALUATION DATE

We refer to your instructions for us to assess the Market Value of the property (the "Property") in Hong Kong going to be acquired by Pioneer Global Group Limited (the "Company") and its subsidiaries (hereinafter together referred to as the "Group"). We confirm that we have carried out inspection, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 1 October 2016 (the "Valuation Date").

VALUATION STANDARDS

The valuation has been carried out in accordance with The HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors, the RICS Valuation – Professional Standards (January 2014) incorporating the International Valuation Standards published by the Royal Institution of Chartered Surveyors, the International Valuation Standards published by the International Valuation Standards Council and Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

Our valuation has been undertaken on the basis of Market Value, which is defined by the Hong Kong Institute of Surveyors as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

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

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the seller disposes of the Property on the open market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the value of the Property.

No allowance has been made for any charges, mortgages or amounts owing on the Property or for any expenses or taxations which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature, which could affect its value.

As the Property is held under long term leasehold interest, we have assumed that the owner has free and uninterrupted rights to use the Property for the whole of the unexpired term of the land tenure.

In addition, we have assumed that:

(i) Proper ownership titles of the Property have been obtained, all payable land premium have been fully settled and the Property can be freely transferred, sub-let, mortgaged or otherwise disposed of;

(ii) We are not aware of any easements or rights-of-way affecting the site and our valuation assumes that none of these exist;

(iii) The buildings, structures and uses of the Property are in compliance with all statutory requirements, and all required licenses, permits, certificates and authorizations have been obtained, except only where otherwise stated; and

(iv) The information, estimates and opinions furnished to us and contained in this report have been obtained from sources considered reliable and believed to be true and correct. We assume no responsibility for their accuracy.

VALUATION METHODOLOGY

Understanding that the Property is an investment property, we have adopted the Income Approach which is an approach to valuation that provides an indication of value by converting potential income to a single current capital value. Term and Reversion Analysis is adopted as the Property is subject to existing tenancies. This valuation method estimates the value of a property on a market basis by capitalizing net rental income on a fully leased basis. This method is typically used when a property is leased out for a specific term(s). This technique considers both the current passing rental income from existing tenancies and the potential reversionary income at market level, by capitalising both at appropriate rates. We collect market rental transaction information to benchmark the market rent adopted.

We have also adopted the Market Approach for cross-checking purposes.

SITE INSPECTION

We have inspected the exterior and, where possible, the interior of the Property. However, no structural survey has been made, but in the course of our inspections, we did not note any serious defects. We are not, however, able to report whether the Property is free of rot, infestation or any other structural defects. No tests were carried out on any of the services.

INFORMATION SOURCES

We have relied to a considerable extent on the information and documents provided by the Group, in particular but not limited to, the identification of the Property, the particulars of occupancy, the tenancy agreements and all other relevant matters. We have no reason to doubt the truth and accuracy of the information provided by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view and we have no reason to suspect any material information has been withheld.

TITLE INVESTIGATION

We have made enquires and relevant searches at the Hong Kong Land Registry. However, we have not searched the original documents nor verified the existence of any amendments, which do not appear in the documents available to us. All documents have been used for reference only.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Hong Kong Dollar (HK$).

Our valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Colliers International (Hong Kong) Limited
Vincent Cheung
BSc(Hons) MBA FRICS MHKIS RPS(GP)
Executive Director
Valuation & Advisory Services – Asia

Note: Vincent Cheung holds a Master of Business Administration and he is a Registered Professional Surveyor with over 19 years' experiences in real estate industry and assets valuations sector. His experience on valuations covers Hong Kong, Macau, Taiwan, South Korea, Mainland China, Vietnam, Cambodia and other overseas countries. He is a fellow member of the Royal Institution of Chartered Surveyors and a member of The Hong Kong Institute of Surveyors. He is one of the valuers on the "list of property valuers for undertaking valuation for incorporation or reference in listing particulars and circulars and valuations in connection with takeovers and mergers" as well as a Registered Business Valuer of the Hong Kong Business Valuation Forum.

VALUATION CERTIFICATE

Property interest going to be acquired by the Group in Hong Kong

No.	Property	Description and Tenure	Particulars of Occupancy	Market Value as at 1 October 2016 *HK$*
1	LG/F, G/F, 1/F, 2/F, Kiu Fat Building, Nos. 115-119 Queen's Road West, Hong Kong (the "Property") (A portion of 150/345 shares of and in the subject lot)	The Property comprises a four-storey (LG/F-2/F) retail podium within Kiu Fat Building situated on Nos. 115-119 Queen's Road West, Hong Kong. As per the Occupation Permit No. H202/74, the Property was completed in about 1974. According to approved building plans, the total gross floor area of the Property is approximately 56,740 square feet. According to our measurement from the approved building plans, the saleable area of the Property is approximately 43,742 square feet. The subject lot is held under the Remaining Portion of Marine Lot No. 58 for a term of 999 years commencing from 26 June 1843. The whole Lot is subject to a government rent of HK$531.2 per annum.	The Property is currently subject to various tenancies with the latest expiry on 9 August 2021.	715,000,000 Hong Kong Dollar Seven Hundred and Fifteen Million Only subject to the tenure and terms and conditions of the existing tenancy agreements

Notes:

1. The Property was inspected by Hannah Jeong *MHKIS MRICS* on 5 October 2016.

2. This certificate was prepared by Hannah Jeong *MHKIS MRICS* under the supervision of Vincent Cheung *MHKIS FRICS RPS(GP)*.

3. The Property is subject to various tenancies in which the major tenants are as follows:

Unit	Tenant	Details
1/F	Ascent Aim Limited	Lease term of 3 years commencing from 1 July 2016 expiring on 30 June 2019, with passing rental HK$321,600 per month.
2/F	Endless Love Nursing Centre Company Limited	Lease term of 9 years commencing from 10 August 2012 expiring on 9 August 2021, with passing rental HK$257,250 per month and stepped rent as HK$295,837.5 per month starting from 7th year.

4. As at the Valuation Date, the existing monthly rental income of the leased retail levels with a total saleable area of 43,410 square feet is approximately HK$1,384,450 per month, exclusive of management fees and other outgoings. The remaining retail level with a total saleable area of 332 square feet (0.76%) is currently vacant.

5. The details of the current land search records of the Property dated 28 September 2016 are summarised below:

Address	LG, G/F, 1/F, 2/F, Kiu Fat Building, Nos.115-119 Queen's Road West, Hong Kong
Item	**Details**
Registered Owner:	Maxforte Investments Company Limited by an assignment with plan dated 8 June 1994, registered vide Memorial No. UB6056514.
Major Encumbrances:	**Under All floors**

(a) Deed of Mutual Covenant dated 8 August 1975, registered vide Memorial No. UB1189819.

(b) Building order No. C/TA/001839/16/HK under section 24(1) of the building ordinance with plan, dated 30 Jun 2016, registered vide Memorial 1608030040359 (Remarks: For common part only)

(c) Mortgage dated 11 July 2013 in favour Hang Seng Bank Limited, registered vide Memorial No. 13073002050049.

(d) Rental Assignment dated 11 July 2013 in favour Hang Seng Bank Limited, registered vide Memorial No. 13073002050058.

Under 2/F

(e) Lease dated 8 August 2012 in favour Endless Love Nursing Centre Company Limited, registered vide Memorial No. 1209060090014.

(f) Novation Agreement dated 18 September 2012 in favour Endless Love Nursing Centre (Sheung Wan) Company Limited, registered vide Memorial No. 13022202430026.

Under 1/F

(g) Tenancy agreement dated 28 January 2013 in favour Ascent Aim Limited, registered vide Memorial No. 13020100350013.

Under G/F

(h) Tenancy agreement dated 9 January 2013 in favour A.S. Watson Group (HK) Limited, registered vide Memorial No. 13012400900017.

(i) Novation agreement re: portion of G/F dated 8 October 2013 in favour of Parknshop (HK) Limited as substitute tenant, registered vide Memorial No. 13102902210088.

6. The Property is situated on the remaining portion of Marine Lot No. 58 which is held under government lease. The salient conditions are summarised below:

Item	Details
Tenure:	999 years commencing from 26 June 1843
Site Area:	17,238.8 square feet
Use:	(j) Non-offensive trade clauses "The lessee, his executors, administrators, or assignees, 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-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 license of her said majesty, her heirs, successors or assigns, signified by the governor of the said colony of Hong Kong, or other person duly authorized in that behalf; "

7. The Property falls within an area zoned as "Residential (A)7" under Draft Sai Ying Pun & Sheung Wan Outline Zoning Plan No. S/H3/29 approved on 27 September 2013.

8. The general description and market information of the Property are summarised as follows:

Location:	The Property is located along the Queen's Road West, circumscribed by Kom U Street and Woo Fung Street.
Transportation:	Sai Ying Pun MTR Station is located approximately 0.23 kilometres away from the Property. Central Business District in Central is located approximately 1.6 kilometres away from the Property.
Nature of Surrounding Area:	The subject area is predominately commercial and residential area. Developments in the neighbourhood include Hua Fu Commercial Building and Hollywood Centre, etc. There are increasing demand on retail spaces from F&B tenants in the locality.

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. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, the following Directors were interested, or were deemed to be interested in the following long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules ("Model Code") adopted by the Company to be notified to the Company and the Stock Exchange.

Long position in shares of the Company

	Number of ordinary shares				
Name of directors	**Personal interests**	**Interests held by controlled corporation**	**Interests held by family trust**	**Total**	**%**
Rossana Wang Gaw	100,000	25,174,731[1]	215,768,260[2]	241,042,991	20.89
Kenneth Gaw	61,418,428	12,725,857[3]	41,305,864[4]	115,450,149	10.00
Christina Gaw	–	19,699,216[5]	–	19,699,216	1.71
Stephen Tan	–	4,440,754[6]	–	4,440,754	0.38

1. Mrs. Rossana Wang Gaw owns the entire issued share capital of Vitality Holdings Limited, which was beneficially interested in 25,174,731 shares.

2. Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares.

3. Mr. Kenneth Gaw owns the entire issued share capital of Top Elite Company Limited, which was beneficially interested in 12,725,857 shares.

4. Family trust of which Mr. Kenneth Gaw is the sole beneficiary held an aggregate of 41,305,864 shares.

5. Ms. Christina Gaw owns the entire issued share capital of Eternity Rich Investments Ltd., which was beneficially interested in 19,699,216 shares.

6. Mr. Stephen Tan and his spouse together own 0.59% issued share capital of Bangkok Mercantile (Hong Kong) Co., Ltd., which was beneficially interested in 4,440,754 shares. Mr. Stephen Tan is the Chairman of Bangkok Mercantile (Hong Kong) Co., Ltd. and he can exercise control over the board.

Long position in shares of associated corporations

Name of company	Name of director	Number of ordinary shares held by controlled corporation	%
Pioneer Hospitality Siam (GBR) Ltd.	Rossana Wang Gaw	30,300,000*	50.5
Pioneer Hospitality Siam (GBR) Ltd.	Kenneth Gaw	30,300,000*	50.5
Keencity Properties Ltd.	Rossana Wang Gaw	5,019,205*	50.5
Keencity Properties Ltd.	Kenneth Gaw	5,019,205*	50.5
Pioneer iNetwork Ltd.	Rossana Wang Gaw	1*	50.0
Pioneer iNetwork Ltd.	Kenneth Gaw	1*	50.0

* Interested by Mrs. Rossana Wang Gaw and Mr. Kenneth Gaw represented the same interests and were therefore duplicated amongst these two directors for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors were interested, or were deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO; or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code adopted by the Company to be notified to the Company and the Stock Exchange.

3. DISCLOSURE OF SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, the following persons (other than a director or chief executive of the Company) who 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.

Name of shareholder	Number of ordinary shares	%
Asset-Plus Investments Ltd.	115,403,866	10.00
Forward Investments Inc.	283,200,215	24.54
Intercontinental Enterprises Corporation	215,768,260[1]	18.70
Prosperous Island Limited	97,324,936	8.43

1 Family trust of which Mrs. Rossana Wang Gaw is the sole beneficiary held an aggregate of 215,768,260 shares, which duplicated to those disclosed in "Long position in shares of the Company".

Save as disclosed above, the Directors were not aware of any other persons (other than a director or chief executive of the Company) who, as at the Latest Practicable Date, 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.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Directors had any existing or proposed service contracts with the Company or any member of the Group which is not determinable within one year without payment of compensation other than statutory compensation.

5. MATERIAL CONTRACTS

During the two years immediately preceding the date of this circular up to and including the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business of the Company) have been entered into by the Enlarged Group and are or may be material:

(1) a subscription and joint venture deed entered into between Uniever Link Limited, a wholly owned subsidiary of the Company and Panorama International Trading Limited on 10 July 2015 to form a joint venture to acquire InterContinental Hong Kong, a 5-star hotel in Tsim Sha Tsui, Kowloon, Hong Kong. The Group has 10% equity participation in the joint venture and committed a capital contribution of US$51.0 million (equivalent to approximately HK$395.8 million).

(2) a sale and purchase agreement dated 7 October 2015 entered into between Kind Regent Holdings Limited, a wholly owned subsidiary of the Company, Prestige Goal Limited, Center Link Limited, PIA 2015 Investments (Singapore) Pte. Ltd., PREP Alliance Limited and CFIC-2014 NV Family Investments, LLC (collectively, the "purchasers") with Advance System Limited and Elite Sino Investments Limited (collectively the "sellers"), in relation to the acquisition of 79.73% of the issued shares in True Partner Investments Limited (the "True Partner") at RMB983.6 million (equivalent to approximately HK$1,199.5 million) (of which Kind Regent Holdings Limited shall purchase 4% of the issued shares in the True Partner at RMB49.3 million (equivalent to approximately HK$60.1 million)).

(3) a sale and purchase agreement entered into between Pine International Limited, a wholly owned subsidiary of the Company and True Light Enterprises Limited on 9 May 2016 to dispose the entire issued share capital of Network Success Limited and the relevant shareholder's loan of HK$4,679,999 at a cash consideration of HK$68,795,000.

6. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or claims of material importance and no litigation or claims of material importance is known to the Directors to be pending or threatened against the Group.

7. COMPETING INTERESTS

So far as the Directors were aware, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest in any business which competed or was likely to compete with the business of the Group.

8. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS OF THE GROUP

So far as the Directors were aware, as at the Latest Practicable Date, none of the Directors had any interest, either direct or indirect, in any assets which had been since 31 March 2016 (being the date to which the latest published audited accounts were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

So far as the Directors were aware, except save as disclosed below, none of the Directors was materially interested in any contract or arrangement subsisting at the date of hereof which was significant in relation to the business of the Group.

(1) Gaw Capital Advisors Limited (as the tenant), which is owned and controlled by Mr. Goodwin Gaw, Mr. Kenneth Gaw, Ms. Christina Gaw (executive directors of the Company) entered into a lease agreement with Treasure Spot Investments Limited (as the landlord), a non-wholly owned subsidiary of the Company, to lease office premises for a term of 3 years with an option to renew for a maximum of two 3-year periods at a monthly rental of HK$732,584, excluding rates, government rent and management fee.

(2) Advance System Limited is owned by an investment fund controlled by (i) Mr. Goodwin Gaw, Mr. Kenneth Gaw and Ms. Christina Gaw (executive directors of the Company) and (ii) Mrs. Rossana Wang Gaw (executive director of the Company) is an investor in the investment fund which owns Advance System Limited. Advance System Limited is one of the sellers entered into a sale and purchase agreement with Kind Regent Holdings Limited, a wholly owned subsidiary of the Company. Details of the contract are set out under the section headed "Material Contracts" in this appendix.

9. EXPERTS AND CONSENTS

The following are the qualifications of the experts who had given opinion contained in this circular:

Name	Qualification
Colliers International (Hong Kong) Limited	an independent property valuer and member of the Hong Kong Institute of Surveyors
Cheng and Cheng Limited	Certified public accountants

As at the Latest Practicable Date, none of Colliers International (Hong Kong) Limited and Cheng and Cheng Limited had any shareholding in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group, nor did they have any interest, either direct or indirect, in any assets which had been since 31 March 2016 (being the date to which the latest published audited accounts of the Company were made up) acquired or disposed of by or leased to any member of the Enlarged Group, or were proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Colliers International (Hong Kong) Limited and Cheng and Cheng Limited have given and have not withdrawn their written consent to the issue of this circular with the respective reports, letters and references to their names in the form and context in which they are included.

10. GENERAL

(i) The Secretary of the Company is Ms. Law Tsui Yan, associate member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators.

(ii) The registered office of the Company is Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda.

(iii) The head office and principal place of business of the Company in Hong Kong is at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong.

(iv) The share registrar and transfer office of the Company in Bermuda is MUFG Fund Services (Bermuda) Limited at The Belvedere Building, 69 Pitts Bay Road, Pembroke HM 08, Bermuda.

(v) The branch share registrar of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(vi) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at 18th Floor, 68 Yee Wo Street, Causeway Bay, Hong Kong from the date of the circular and up to and including 16 January 2017:

(a) this circular;

(b) the Bye-Laws of the Company;

(c) the consolidated audited financial statements of the Group for the years ended 31 March 2015 and 31 March 2016 and the interim results announcement of the Company for the six months ended 30 September 2016;

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

(e) the letter from Cheng and Cheng Limited on the Unaudited Pro Formal Financial Information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(f) the letter and valuation certificate prepared by Colliers International (Hong Kong) Limited, the text of which is set out in Appendix IV to this circular;

(g) the letters of consents referred to under the section headed "Experts and Consents" in this appendix; and

(h) the material contracts referred under the section headed "Materials Contracts" in this appendix.