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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional advisers.

**If you have sold or transferred** all your shares in Altus Holdings 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 or transfer was effected for transmission to the purchaser or transferee.

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**ALTUS .**  
**ALTUS HOLDINGS LIMITED**  
**浩德控股有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 8149)**

**MAJOR TRANSACTION**  
**ACQUISITION OF PROPERTIES**

**Financial adviser to the Company**  
**ALTUS CAPITAL LIMITED**

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## CHARACTERISTICS OF GEM

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**GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.**

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## DEFINITIONS

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

“Acquisition”	acquisition of the Properties by the Purchaser from the Vendors pursuant to the terms and conditions of the Sale and Purchase Agreements
“Announcement”	the announcement dated 23 March 2017 issued by our Company in relation to the Acquisition
“Board”	the board of the Directors
“Company”	Altus Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the GEM
“Completion”	completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreements
“Consideration”	the consideration for the Acquisition, being JPY1,050.0 million
“Controlling Shareholder”	for the purpose of this circular, means KHHL
“Director(s)”	the director(s) of our Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM
“GK Gyokou”	Godo Kaisha Gyokou, the Vendor which enters into SPA 1 and SPA 2 with the Purchaser with the subject Properties being Rise Fujisakidai and Rise Kumamoto Station South respectively, an Independent Third Party
“GK Yuzuha”	Godo Kaisha Yuzuha, the Purchaser, a company incorporated in Japan with limited liability on 20 February 2017 and the TK Operator of a TK Arrangement which Starich is the TK Investor. Our Company is indirectly beneficially interested in all the economic benefits of its property interests
“Group”	our Company and its subsidiaries
“Independent Property Valuer”	Colliers International Tokyo, an independent property valuer appointed by our Company for valuing the Properties

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## DEFINITIONS

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“Independent Third Party(ies)”	individual(s) or company(ies) which is (are) independent of and not connected (within the meaning of the GEM Listing Rules) with any of our directors, chief executive or substantial shareholders of our Company or our subsidiaries or any of their respective associates within the meanings of the GEM Listing Rules
“KHHL”	Kinley-Hecico Holdings Limited, a company incorporated in the British Virgin Islands on 2 January 1992 with limited liability and a Controlling Shareholder
“Latest Practicable Date”	24 April 2017, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Property(ies)”	the subject asset(s) to be acquired by the Purchaser under the Sale and Purchase Agreement(s)
“Purchaser”	GK Yuzuha
“Sale and Purchase Agreement(s)”	refers to collectively SPA 1, SPA 2 and SPA 3 (i.e. the sale and purchase agreement(s)) dated 23 March 2017 and entered into between the Purchaser and the Vendors in relation to the Acquisition
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of our Company
“Shareholder(s)”	holder(s) of Shares from time to time
“SPA 1”	the sale and purchase agreement dated 23 March 2017 and entered into between the Purchaser and GK Gyokou in relation to the acquisition of the subject Property, Rise Fujisakidai
“SPA 2”	the sale and purchase agreement dated 23 March 2017 and entered into between the Purchaser and GK Gyokou in relation to the acquisition of the subject Property, Rise Kumamoto Station South
“SPA 3”	the sale and purchase agreement dated 23 March 2017 and entered into between the Purchaser and YK Shinzan in relation to the acquisition of the subject Property, Rise Shimodori

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## DEFINITIONS

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“Starich”	Starich Resources Limited, a company incorporated in the British Virgin Islands with limited liability on 28 February 2000, an indirect wholly-owned subsidiary of our Company and the TK Investor of a TK Arrangement which GK Yuzuha is the TK Operator
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the GEM Listing Rules
“TK Agreement”	an agreement entered into between a TK Operator and a TK Investor pursuant to a TK Arrangement
“TK Arrangement”	a Japanese tokumei kumiai arrangement entered into between a TK Investor and a TK Operator, whereby TK Investor will provide funds to the TK Operator in return for income derived from the management and operational activities of the TK Operator
“TK Investor”	an entity, which enters into a TK Agreement with a TK Operator pursuant to a TK Arrangement
“TK Operator”	a Japanese limited liability company, which holds or owns real estate and which enters into a TK Agreement with a TK Investor
“Vendors”	GK Gyokou and YK Shinzan, being the vendors of the Properties
“YK Shinzan”	Yugen Kaisha Shinzan, the Vendor which enters into SPA 3 with the Purchaser with the subject Property being Rise Shimodori, an Independent Third Party
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“JPY”	Japanese yen, the lawful currency of Japan

*Conversion of JPY into HK\$, and vice versa, are made in this circular for illustration purposes only and unless otherwise stated, is based on the exchange rate of HK\$0.0697 to JPY1.00 being the exchange rate as at the date of the Sale and Purchase Agreements. Such conversion shall not be construed as representation that any amount in HK\$ and JPY were, may have been, or will be converted into those currencies, or vice versa, in the above rates or at any other rates.*

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LETTER FROM THE BOARD

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ALTUS  
ALTUS HOLDINGS LIMITED  
浩德控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8149)**

*Executive Directors:*

Mr. Arnold Ip Tin Chee (*Chairman*)

Mr. Chang Sean Pey

Ms. Leung Churk Yin Jeanny

*Independent Non-executive Directors:*

Mr. Chao Tien Yo

Mr. Chan Sun Kwong

Mr. Lee Shu Yin

*Registered office:*

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Head office and principal place  
of business in Hong Kong:*

21 Wing Wo Street

Central

Hong Kong

27 April 2017

*To the Shareholders*

Dear Sir or Madam,

**MAJOR TRANSACTION  
ACQUISITION OF PROPERTIES**

**INTRODUCTION**

Reference is made to the Announcement dated 23 March 2017. Our Group, through the Purchaser, has entered into the Sale and Purchase Agreements with the Vendors on 23 March 2017, pursuant to which the Purchaser agreed to acquire from the Vendors the Properties for an aggregate consideration of JPY1,050.0 million (equivalent to approximately HK\$73.2 million).

As one of the applicable percentage ratios calculated by reference to Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 25.0% but less than 100.0%, the Acquisition constitutes a major transaction for our Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

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## LETTER FROM THE BOARD

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To the best knowledge, information and belief of the Directors, having made all reasonable enquiry, should the Acquisition be put forward for Shareholders' approval at a general meeting of our Company, no Shareholder is required to abstain from voting on the resolution for the approval of the Acquisition at a general meeting. Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of holding a general meeting of our Company for approving the Acquisition, a written approval of the Acquisition has been obtained from KHHL, the Controlling Shareholder with interest in 600,000,000 Shares, representing 75.0% of the issued share capital of our Company as at the Latest Practicable Date.

The purpose of this circular is to provide you with, amongst others, details of the Acquisition and the Properties.

### PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENTS

Other than the Vendors and the Properties, the Sale and Purchase Agreements share the same principal terms. Each of the Sale and Purchase Agreements is not inter-conditional. Set out below are further details.

<b>SPA 1</b>	Date:	23 March 2017	
	Parties:	The Vendor	GK Gyokou
		The Purchaser	GK Yuzuha
	Subject Property:	Rise Fujisakidai	
	Consideration:	JPY400.0 million	
<b>SPA 2</b>	Date:	23 March 2017	
	Parties:	The Vendor	GK Gyokou
		The Purchaser	GK Yuzuha
	Subject Property:	Rise Kumamoto Station South	
	Consideration:	JPY200.0 million	
<b>SPA 3</b>	Date:	23 March 2017	
	Parties:	The Vendor	YK Shinzan
		The Purchaser	GK Yuzuha
	Subject Property:	Rise Shimodori	
	Consideration:	JPY450.0 million	

### The Subjects of the Acquisition

The Properties are located in Kumamoto City, Japan, being (i) Rise Fujisakidai, a 10-storey block, comprising 36 residential units and 8 car park units with a net lettable area (i.e. area excluding common areas) of approximately 13,900 square feet; (ii) Rise Kumamoto Station South, a 5-storey block, comprising 20 residential units and 7 car park units with a net lettable area of approximately 10,100 square feet; and (iii) Rise Shimodori, a 10-storey block, comprising 36 residential units and 8 car park units with a net lettable area of approximately 13,600 square feet. The Properties mentioned above were built for residential purposes in the mid-2000s. The pieces of land on which the Properties are built are all of freehold interest, and the Purchaser has full title in the freehold interest of the Properties including the land after Completion.

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## LETTER FROM THE BOARD

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The Properties are sold to the Purchaser free from encumbrances.

Set out below is a summary in relation to the Properties based on the property management reports (“**PM reports**”) provided by the Vendors for the month ended 28 February 2017, being the latest PM reports available as at the date of this circular:

	<b>Rise Fujisakidai</b>	<b>Rise Kumamoto Station South</b>	<b>Rise Shimodori</b>
Occupancy rate as at 28 February 2017 <i>(in terms of unit)</i>	97.2%	100.0%	97.2%
Range of monthly rental per residential unit	JPY49,000 – JPY76,300	JPY49,000 – JPY81,000	JPY50,000 – JPY66,000
Number of units	36	20	36
Range of expiry terms of tenancy agreements <i>(Note)</i>	28 May 2017 – 17 January 2019	25 April 2017 – 25 February 2019	20 April 2017 – 27 February 2019

*Note:* These are standard lease contracts which would be automatically renewed, or deemed renewed on continuous use following expiry automatically, on existing terms unless the landlord objects in a timely manner and is able to show “justifiable reason” for non-renewal.

After the Completion, our Company intends to continue to lease the Properties for residential purposes.

Based on limited information available to our Company and Appendix II to this circular, the rental income of the Properties (before expenses) for the one month ended 31 March 2016 and 11 months ended 28 February 2017 (being the period where the Properties have been held by the Vendors) were as follows:

	<b>For the one month ended 31 March 2016</b>		<b>For the 11 months ended 28 February 2017</b>	
	<i>JPY'000</i>	<i>HK\$'000</i> <i>(Note)</i>	<i>JPY'000</i>	<i>HK\$'000</i> <i>(Note)</i>
Rise Fujisakidai	2,307	158	22,985	1,653
Rise Kumamoto Station South	1,306	90	13,544	974
Rise Shimodori	2,392	164	25,055	1,802
<b>Total</b>	<b>6,005</b>	<b>412</b>	<b>61,584</b>	<b>4,429</b>

*Note:* Based on average exchange rates for 1 month ended 31 March 2016 of HK\$0.0687 to JPY1.00 and 11 months ended 28 February 2017 of HK\$0.0719 to JPY1.00 respectively.

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## LETTER FROM THE BOARD

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### The Consideration

Set out below is the breakdown of the Consideration:

	<i>JPY'000</i>
Rise Fujisakidai	400,000
Rise Kumamoto Station South	200,000
Rise Shimodori	450,000
	<hr/>
<b>Total</b>	<b>1,050,000</b>
	<hr/> <hr/>

The Consideration of JPY1,050.0 million (equivalent to approximately HK\$73.2 million), was determined after arm's length negotiations between the Purchaser and the Vendors. When determining the Consideration, the management of our Company has taken into account the prime locations of the Properties, market prices of properties of similar sizes and usage, potential net rental yield of the Properties, as well as the preliminary value of the Properties as appraised by the Independent Property Valuer of JPY1,048 million, which is the same as the final valuation of the Properties as set out in Appendix IV to this circular. The management of our Company believes that the above provides a reasonable basis in its assessment of value of the Properties.

Valuation of the Properties have been carried out by the Independent Property Valuer, which valued the aggregate market value of the Properties at JPY1,048 million as at 31 March 2017. The valuation reports of the Properties performed by the Independent Property Valuer are set out in Appendix IV to this circular.

### Payment method

A cash deposit of JPY10.0 million (equivalent to approximately HK\$0.7 million) per each of the Sale and Purchase Agreements had been paid by the Purchaser to the Vendors, and the aggregate balance of JPY1,020.0 million (equivalent to approximately HK\$71.1 million) had been settled in cash upon Completion.

As at the Latest Practicable Date, our Company had settled the Consideration through bank facilities in Japan secured by the Properties with aggregate loan principal of JPY630 million, payable over 25 years on a non-recourse basis with prevailing interest rates ranging between 2.55% to 2.85% per annum, and internal resources including cash generated from our operations and existing bank facilities.

### Completion

There is no condition precedents to the Completion. Completion had taken place on 11 April 2017.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE ACQUISITION

Our Company is, through its operating subsidiaries, principally engaged in corporate finance in Hong Kong and property investment in Japan and Hong Kong. Our Group had started investing in real estate in Japan in 2001 and in Kumamoto City since 2010. When investing in Japanese properties, our Group's objective is to receive steady income or achieve capital appreciation, focusing on freehold properties in major cities and city centres of regional hubs. Our Group's strategy is to have at least a controlling interest in these investments.

The Properties are located in prime areas in Kumamoto City, Japan and are expected to generate steady gross rental income of approximately JPY65.0 million to JPY 68.0 million per year based on the prevailing occupancy trends. Further, based on our Directors' experience, a shortage of housing typically occurs following a severe earthquake (such as the one in Kumamoto prefecture in April 2016). Residents of suburban areas as well as work force involved in rebuilding efforts typically migrate into urban centres seeking quality housing, such as the Properties that are of reinforced concrete structure and which only suffered minimal damages from the Kumamoto earthquake in April 2016. Such demand underpins the strength of both property rental and sale markets. In addition, the Acquisition will strengthen our portfolio's presence, currently with a higher concentration in northern Japan, in the southern part. Going forward, our Group will continue to explore potential opportunities and expand our Group's portfolio. As at the Latest Practicable Date, our Group has not identified any potential targets or negotiated or entered into any agreement or arrangement for any potential targets.

The Directors, including the independent non-executive Directors, are of the view that the terms of the Sale and Purchase Agreements are on normal commercial terms and are fair and reasonable and in the interests of our Company and the Shareholders as a whole.

### FINANCIAL EFFECTS OF THE ACQUISITIONS

#### Earnings

Pursuant to the Hong Kong Financial Reporting Standards 10 Consolidated Financial Statements (the "HKFRS 10") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), GK Yuzuha is considered as a controlled entity of our Company. Accordingly, financial information of GK Yuzuha is to be consolidated with that of our Company, our subsidiaries and our TK Operators and presented on a group basis in accordance with HKFRS 10. Based on the Properties historic performance as disclosed under the paragraph headed "The Subjects of the Acquisition" above and existing tenancy agreements, the Properties are expected to continue to generate rental income after Completion and contribute positively to the earnings of our Group. As disclosed in Appendix II to this circular, the Properties had generated rental income amounted to approximately JPY67.6 million for the 12 months ended 28 February 2017 (being the period which the Properties were held by the Vendors), while the estimated expenses borne by the owner amounted to approximately JPY24.8 million during the same period. Based on the above, it is expected that the Acquisition would contribute positively to the earnings of our Group.

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## LETTER FROM THE BOARD

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### **Assets and liabilities**

Upon Completion, as disclosed in Appendix III to this circular, the investment properties held by our Group is expected to increase by approximately JPY1,048 million (equivalent to approximately HK\$73.0 million); cash reserve is expected to decrease by approximately JPY550.9 million (equivalent to approximately HK\$38.4 million) since part of the Consideration and the transaction cost would be settled through internal resources; and the liabilities will increase by approximately JPY606.9 million (equivalent to approximately HK\$42.3 million) including the net effect of secured bank borrowings from a Japan financial institution to finance the Acquisition, security deposits payable to the tenants of the Properties and deferred tax adjustments. For further details on the effect of the Acquisition on our Group's assets and liabilities position, please refer to Appendix III to this circular.

### **WRITTEN SHAREHOLDER'S APPROVAL**

As one of the applicable percentage ratios calculated by reference to Rule 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 25% but less than 100%, the Acquisition constitutes a major transaction for our Company and is subject to reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, should the Acquisition be put forward to for Shareholders' approval at a general meeting of our Company, no Shareholder is required to abstain from voting on the resolution for the approval of the Acquisition. Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of holding a general meeting of our Company for approving the Acquisition, written approval of the Acquisition has been obtained from KHHL, the Controlling Shareholder with interest in 600,000,000 Shares, representing 75.0% of the issued share capital of our Company as at the Latest Practicable Date.

### **INFORMATION ON THE VENDORS**

GK Gyokou and YK Shinzan are companies incorporated in Japan with limited liability, which are TK Operators of the same TK Investor (i.e. ultimate beneficial owner in the context of a TK Arrangement) and are principally engaged in property holding business.

GK Gyokou has entered into SPA 1 and SPA 2 with the Purchaser with the subject Properties being Rise Fujisakidai and Rise Kumamoto Station South respectively, while YK Shinzan has entered into SPA 3 with the Purchaser with the subject Property being Rise Shimodori.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of Latest Practicable Date, the Vendors and their ultimate beneficial owner(s) are Independent Third Parties.

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## LETTER FROM THE BOARD

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### INFORMATION OF OUR COMPANY AND THE PURCHASER

Our Group is principally engaged in the provision of corporate finance services and property investment in Japan and Hong Kong.

The Purchaser, GK Yuzuha, is a company incorporated in Japan with limited liability on 20 February 2017. It is the TK Operator of a TK Arrangement which Starich is the TK Investor, and our Company is indirectly beneficially interested in all the economic benefits of GK Yuzuha's property interests. Pursuant to the HKFRS 10, GK Yuzuha is considered as controlled entity of our Company. As disclosed in the Company's prospectus dated 30 September 2016 (the "**Prospectus**"), TK structure is one of the typical investment structures adopted by foreign investors when investing in Japan, utilised primarily for (i) tax benefits; (ii) non-recourse financing advantage; (iii) control over acquisition and disposal of properties; and (iv) limited legal liability. In this regard, having taken into consideration the scale of our property investment activities and costs associated with each of the investment structure available, as at the Latest Practicable Date, our Group adopted the TK structure in respect of 16 of our property investments in Japan. The TK Arrangement between GK Yuzuha and Starich (including the relevant terms) is in line with all of our existing TK Arrangements. Please refer to the section headed "Our TK Arrangements" in our Prospectus (from page 186 to page 202) for further details.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
For and on behalf of  
**Altus Holdings Limited**  
**Arnold IP Tin Chee**  
*Chairman and Executive Director*

## 1. FINANCIAL SUMMARY OF THE GROUP

The published audited consolidated financial statements of our Group for the years ended 31 March 2015 and 2016 are disclosed on pages I-1 to I-64 of the prospectus of our Company dated 30 September 2016 (the “**Prospectus**”). All these financial statements have been published on the website of the Stock Exchange at <http://www.hkexnews.hk/listedco/listconews/GEM/2016/0930/GLN20160930029.pdf> and the Company’s website at [http://www.altus.com.hk/assets/files/101\\_Prospectus\\_ENG.pdf](http://www.altus.com.hk/assets/files/101_Prospectus_ENG.pdf).

## 2. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the Completion and the financial resources available to our Group, including internally generated funds, the standby loan facilities currently available and the proceeds received from our Company’s initial public offering in October 2016 (the “**IPO**”), our Group will have sufficient working capital for its present requirements and for its operations for the 12 months following the date of the circular in the absence of unforeseen circumstances.

## 3. INDEBTEDNESS

At the close of business on 28 February 2017, being the latest practicable date for ascertaining this information prior to the printing of this circular, the Group had total bank borrowings secured by investment properties and land and building, amounting to approximately HK\$123.8 million.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have, as at the close of business on 28 February 2017, any debt securities authorised or created but unissued, issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases, hire purchase commitments, guarantees or other material contingent liabilities.

## 4. MATERIAL CHANGE

Save for the IPO in October 2016, the Directors are not aware of any material adverse change to the financial or trading position of our Group since 31 March 2016, being the date to which the latest published audited financial statements of the Company were made up.

## 5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Our Group is principally engaged in the provision of corporate finance services in Hong Kong and property investment in Japan and Hong Kong. With regards to corporate finance, our Group primarily offers sponsorship, financial advisory and compliance advisory services to our clients. For the latter, our Group invests in real estate in Japan and Hong Kong and derives rental income therefrom.

The Directors expect our Group's property investment business to remain stable and continue to generate recurring rental income. Our Group intends to expand its property investment portfolio in line with the investment objectives as stated in the Prospectus, the interim report for the six months ended 30 September 2016 and the third quarterly report for the three months ended 31 December 2016 when appropriate investment opportunities arise.

With regards to our Group's corporate finance services, it is noted that potential tightening of the regulatory environment may lead to market uncertainties. In this respect, the regulation on standard of conduct that is expected of the sponsors, underwriters and placing agents in the listing and initial public offering (IPO) of companies on GEM has recently been tightened. Consequently, we expect more time may be required to identify and select suitable transactions and clients for its expansion.

The Directors have confidence in our Group's ability to continuously adhere to the relevant regulatory requirements, adopt to the changing regulatory environment, and intend to enhance our Group's capacity to cater for growing demand as mentioned in the Prospectus.

Pursuant to Rule 19.67(6)(b)(i) of the GEM Listing Rules, on an acquisition of revenue generating assets (other than a business or company) with an identifiable income stream or assets valuation, the Company is required to include in the circular a profit and loss statement and valuation (where available) for the three preceding financial years on identifiable net income stream and valuation in relation to such assets which must be reviewed by the auditors or reporting accountants to ensure that such information has been properly compiled and derived from underlying books and records.

The Company has been able to obtain (i) copies of property management reports (the “**PM reports**”) which contain the Properties’ monthly income and expenses prepared on cash basis, for the period from 1 March 2016 to 28 February 2017, being the period Properties have been held by the Vendors immediately preceding the transaction (the “**Relevant Period**”); and (ii) all existing tenancy agreements for the Properties<sup>1</sup> (the “**Tenancy Agreements**”). Other than such PM reports and Tenancy Agreements, despite requests made by the Company in this transaction, the Company has been unable to gain access to the underlying books and records or other financial information of the Properties that are necessary for the preparation of full profit and loss statements in strict compliance with the requirement of Rule 19.67(6)(b)(i) of the GEM Listing Rules. The Company has therefore applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange, from strict compliance with Rule 19.67(6)(b)(i) of the GEM Listing Rules, such that the following information be disclosed instead.

The financial information of the Properties for the one month ended 31 March 2016 and the 11 months ended 28 February 2017 set out below have been prepared by the Company based on the PM reports and Tenancy Agreements provided by the Vendors. Since the PM reports are prepared on cash basis instead of accounting policies which are materially consistent with the Group, it may not give a true picture of the performance of the Properties during the Relevant Period.

Based on the Tenancy Agreements and the Directors’ experience in the Japan property market, the repairs and maintenance expenses, property management fee and other miscellaneous expenses, such as insurance and advertising expenses etc., shall be borne by the owner of the Properties.

<sup>1</sup> The Vendors entered into tenancy agreements with individual tenants directly. Based on the latest PM reports received from the Vendors, there were in total 90 existing tenancy agreements for the Properties.

Based on the limited information provided by the Vendors, the estimated property expenses borne by the Vendors during the Relevant Period are set out below:

**For the one month ended 31 March 2016**

	Rise Fujisakidai		Rise Kumamoto		Rise Shimodori	
	JPY'000	HK\$'000	JPY'000	HK\$'000	JPY'000	HK\$'000
		(Note 1)		(Note 1)		(Note 1)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Estimated property expenses:</b>						
Repairs and maintenance (Note 2)	161	11	–	–	979	67
Property management fee	98	7	61	4	99	7
Others	195	13	167	11	99	7
	<u>454</u>	<u>31</u>	<u>228</u>	<u>15</u>	<u>1,177</u>	<u>81</u>

**For the 11 months ended 28 February 2017**

	Rise Fujisakidai		Rise Kumamoto		Rise Shimodori	
	JPY'000	HK\$'000	JPY'000	HK\$'000	JPY'000	HK\$'000
		(Note 1)		(Note 1)		(Note 1)
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Estimated property expenses:</b>						
Repairs and maintenance (Note 2)	3,266	235	453	33	2,948	212
Property tax	2,493	179	1,549	111	2,446	176
Property management fee	1,128	81	647	47	1,185	85
Others	2,561	184	1,171	84	3,136	225
	<u>9,448</u>	<u>679</u>	<u>3,820</u>	<u>275</u>	<u>9,715</u>	<u>698</u>

*Notes:*

- Based on the average exchange rates for 1 month ended 31 March 2016 of HK\$0.0687 to JPY1.00 and 11 months ended 28 February 2017 of HK\$0.0719 to JPY1.00 respectively.
- The repairs and maintenance including certain one-off repairs relating to the earthquake were as follows (nil for one month ended 31 March 2016 as the earthquake only happened in April 2016):

**For the 11 months ended 28 February 2017**

	Rise Fujisakidai		Rise Kumamoto		Rise Shimodori	
	JPY'000	HK\$'000	JPY'000	HK\$'000	JPY'000	HK\$'000
<b>Earthquake-related renovation cost:</b>	1,434	103	68	5	742	53

The estimation of the property expenses payable by the owner is based on the PM reports provided by the Vendors, which were prepared on a cash basis by the local professional property manager of the Properties. Thus, the estimation was not prepared under the accounting policies which are materially consistent with the Group.

In substitution of providing the profit and loss statement as required under Rule 19.67(6)(b)(i) of the GEM Listing Rules, the Directors are of the view that on top of the estimated expenses borne by the owner for the Relevant Period, the unaudited rental income for the Relevant Period disclosed in this Appendix below would be appropriate indicators for the Shareholders to assess the impact of the Acquisition on the Company.

As far as the Directors are aware, (i) they have no reasons to believe that the omission of a profit and loss statement in respect of the Properties for the Relevant Period would render this circular materially incomplete, misleading or deceptive; and (ii) all relevant financial information used by the independent qualified professional valuer in preparing the valuation of the Properties has been disclosed in this circular.

Given the circumstances, the Company has applied to the Stock Exchange for a waiver, which had been granted by the Stock Exchange, from strict compliance with Rule 19.67(6)(b)(i) of the GEM Listing Rules, such that the following alternative information be disclosed instead to Shareholders.

#### UNAUDITED RENTAL INCOME INFORMATION OF THE PROPERTIES

	For the one month ended 31 March 2016					
	Rise Fujisakidai		Rise Kumamoto		Rise Shimodori	
	JPY'000	HK\$'000	JPY'000	HK\$'000	JPY'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Properties</b>						
Rental income	2,307	158	1,306	90	2,392	164
	For the 11 months ended 28 February 2017					
	Rise Fujisakidai		Rise Kumamoto		Rise Shimodori	
	JPY'000	HK\$'000	JPY'000	HK\$'000	JPY'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)

Note:

- Based on average exchange rates for 1 month ended 31 March 2016 of HK\$0.0687 to JPY1.00 and 11 months ended 28 February 2017 of HK\$0.0719 to JPY1.00 respectively.

The above unaudited rental income information was based on the PM reports, which were prepared on a cash basis as disclosed above. Accordingly, the above information may not give a true and correct picture of the financial results attributable to the Properties for the Relevant Period.

*Note:*

1. A summary of key terms of Tenancy Agreements are set out below:

	<b>Rise Fujisakidai</b>	<b>Rise Kumamoto Station South</b>	<b>Rise Shimodori</b>
<b>Tenancy period</b>	approximately 2 years	approximately 2 years	approximately 2 years
<b>Monthly gross rental per unit</b>	approximately JPY53,000 to JPY80,300	approximately JPY52,000 to JPY84,000	approximately JPY54,000 to JPY70,000
<b>Aggregate monthly gross rental</b>	approximately JPY2,073,300	approximately JPY1,214,000	approximately JPY2,167,500
<b>Range of expiry terms of tenancy agreements</b>	28 May 2017 – 17 January 2019	25 April 2017 – 25 February 2019	20 April 2017 – 27 February 2019

The above unaudited estimated rental income and property expenses information of the Properties for the one month ended 31 March 2016 and 11 months ended 28 February 2017 has been checked by the Company's auditors under the Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" issued by the HKICPA and the agreed-upon procedures performed by them and the findings are included as follows:

1. Checked casting of the rental income and property expenses as calculated by the management of the Company and found them to be arithmetically accurate.
2. Checked casting of the above statements as prepared by the management of the Company and found them to be arithmetically accurate.
3. Compared the details of 30 out of 90 Tenancy Agreements of the properties including tenants' name and monthly rental rate obtained from the Vendors to the computation of rental income as prepared by the management of the Company and found them to be in agreement.

As the information based on which the Company prepared the above statement is limited, the above procedures do not constitute an assurance engagement made in accordance with Hong Kong Standards of Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements. The auditors do not express any assurance on the financial results attributable of the Properties.

A. UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF  
THE GROUP

The following is the unaudited pro forma statement of adjusted assets and liabilities of the Group prepared by the Directors on the basis of the notes set out below for the purpose of illustrating the effects of the Acquisition on the unaudited consolidated statement of assets and liabilities of the Group as if the Acquisition had been taken place on 30 September 2016. As it is prepared for illustrative purposes only, based on the judgments and assumptions of the Directors and because of its hypothetical nature, it may not give a true picture of the unaudited consolidated statement of assets and liabilities of the Group upon the completion of the Acquisition as at 30 September 2016 or at any future date. The unaudited pro forma statement of adjusted assets and liabilities of the Group is prepared based on the unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2016 as extracted from the Group's unaudited condensed consolidated financial statement for the six months ended 30 September 2016 included in the published unaudited interim report of the Group for the six months ended 30 September 2016, after incorporating the unaudited pro forma adjustments as set out below.

	Unaudited consolidated statement of assets and liabilities of the Group as at 30 September 2016 (Unaudited) HK\$'000 (Note 1)	Pro forma adjustments (Unaudited) HK\$'000	Notes	Unaudited pro forma adjusted consolidated statement of assets and liabilities of the Group (Unaudited) HK\$'000
<b>Non-current assets</b>				
Property, plant and equipment	45,260			45,260
Investment properties	385,905	73,031	2	458,936
Interests in associates	26,971			26,971
Available-for-sales investments	2,912			2,912
	461,048			534,079
<b>Current assets</b>				
Trade and other receivables	3,133			3,133
Amounts due from associates	1,381			1,381
Deposits placed in financial institution	181			181
Bank balances and cash	67,163	(38,382)	3 and 4	28,781
	71,858			33,476
<b>Current liabilities</b>				
Trade and other payables	13,753	473	4	14,226
Amount due to ultimate holding company	35,000			35,000
Amounts due to associates	6			6
Tax payable	3,848			3,848
Secured bank borrowings	67,202	1,739	3	68,941
	119,809			122,021
<b>Net current liabilities</b>	(47,951)			(88,545)
<b>Total assets less current liabilities</b>	413,097			445,534
<b>Non-current liabilities</b>				
Secured bank borrowings	75,094	41,729	3	116,823
Derivative financial instruments	827			827
Other payables – tenant deposits – over 1 year	67			67
Provision for long service payment	168			168
Deferred tax liabilities	13,798	(1,667)	2	12,131
	89,954			130,016
<b>Net assets</b>	323,143			315,518

*Notes:*

- 1 The balances are extracted from the unaudited consolidated statements of assets and liabilities of the Group as at 30 September 2016, as set out in the published unaudited interim report of the Company for the six month ended 30 September 2016.
- 2 Being adjustment for the addition of Properties as a result of the Acquisition, the costs of which includes (i) consideration for the acquisition of the Properties of JPY1,050.0 million (equivalent to approximately HK\$73.2 million); (ii) direct acquisition costs mainly including legal cost, acquisition tax and agency fee of approximately JPY115.2 million (equivalent to approximately HK\$8.0 million).

The Properties are to be held by the Group to earn rentals and hence are classified as investment properties, which is initially measured at cost and subsequently measured at fair value. Change in fair value of investment properties will be recognised in profit or loss. The fair value of the Properties as at 31 March 2017 was JPY1,048 million (equivalent to approximately HK\$72.6 million), which has been arrived at on the basis of valuation carried out by the Independent Property Valuer. In preparing the pro forma statement of assets and liabilities, the Directors assume the fair value of the Properties as at 31 March 2017 is same as 30 September 2016. Accordingly, a fair value adjustment amounting to approximately JPY117.2 million (equivalent to approximately HK\$8.2 million) is recognised in profit or loss, in which the excess of cost of acquisition over the fair value was attributable to the direct acquisition costs.

Deferred taxation of approximately JPY23.9 million (equivalent to approximately HK\$1.7 million) is recognised on temporary differences between the cost and fair value of the Properties and the applicable tax rate under TK Arrangement of 20.42% is applied.

- 3 Being adjustment for the effect of payment of acquisition of the Properties and its related indirect transaction costs of approximately JPY16.2 million (equivalent to approximately HK\$1.1 million) recognised in profit and loss by using internal resources and a new mortgage loan of JPY630.0 million (equivalent to approximately HK\$43.8 million), secured by the Properties, carried at the interest rate ranged from 2.55% to 2.85% and repayable within 25 years net of initial borrowing costs of approximately JPY6.2 million (equivalent to approximately HK\$0.4 million).
- 4 In connection with the Acquisition, rental deposits and other deposits of approximately JPY6.8 million (equivalent to approximately HK\$0.5 million) will be transferred from the Vendors to the Group, in relation to the existing tenancy agreements of the Properties upon Completion.
- 5 No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016. The adjustments described in the notes above in respect of the unaudited pro forma statement of assets and liabilities above are not expected to have a continuing effect on the Group.

**B. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE  
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

SHINEWING (HK) CPA Limited  
43/F., Lee Garden One  
33 Hysan Avenue  
Causeway Bay, Hong Kong

27 April 2017

The Directors  
Altus Holdings Limited  
21 Wing Wo Street  
Central  
Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Altus Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) by the directors of the Company (the “Directors”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of assets and liabilities as at 30 September 2016 and related notes as set out on pages 17 to 18 of the circular dated 27 April 2017 (the “Circular”) in connection with the proposed acquisition of the properties (the “Transaction”) issued by the Company. The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described in Section A of Appendix III to the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Transaction on the Group’s financial position as at 30 September 2016 as if the Transaction had been taken place at 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 consolidated financial statement as at 30 September 2016, on which no audit or review 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 31 of Chapter 7 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “GEM Rules”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“AG7”) 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 requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 31(7) of Chapter 7 of the GEM 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 31 of Chapter 7 of the GEM Rules and with reference to AG7 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 unaudited pro forma financial information included in a Circular is solely to illustrate the impact of the Transaction on unadjusted financial information of the Group as if the Transaction had occurred at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 September 2016 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 event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited 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 event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

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

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 31(1) of Chapter 7 of the GEM Rules.

**SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

**Wong Hon Kei, Anthony**

Practising Certificate Number: *P05591*

Hong Kong

*The following is the text of a letter and valuation certificates prepared for the purpose of incorporation in this circular received from the Independent Property Valuer, in connection with their valuation of the Properties as at 31 March 2017.*

27 April 2017

The Board of Directors  
Altus Holdings Limited  
21 Wing Wo Street  
Central, Hong Kong



Dear Sirs,

## **INTRODUCTION**

We refer to the instructions from Altus Holdings Limited (hereinafter referred to as the “**Company**”) for us to value the Properties located in Japan. We confirm that we have carried out inspections, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Properties as at 31 March, 2017 (the “**date of valuation**”).

## **BASIS OF VALUATION**

Our valuations of the concerned properties have been based on the Market Value, which is defined as “The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.”

## **VALUATION RATIONALE**

We have valued the Properties by Discounted Cash Flow Approach with reference to both Direct Capitalisation Approach and Cost Approach.

For the Discounted Cash Flow Approach, the discount rate was derived by adding risk premiums specific to the subject to the base rate obtained from yields of financial instruments such as bonds. In the assignment, the real estate risk will be added to the 10 year Japanese Government Bond (JGB) yield to assess the base rate, and further risk premiums specific to the subject such as likelihood of soil contamination and natural disaster (e.g. earthquake, flooding) will be added to assess the discount rate.

The terminal capitalisation rates were estimated by combining (i) the respective capitalisation rate as at the date of valuation (being derived from the average capitalisation rate of comparable properties after adjusting for mainly property-specific factors such as age, quality and neighbourhood of the building and the general market expectation in the surrounding area); (ii) the term risk (being future risk such as the change in the neighborhood and the building age); (iii) the spread between the net cash flow of the appraised Properties applied in the direct method and that estimated for year 11; and (iv) the expected change in the net cash flow after year 11.

The Cost Approach focuses on cost and is performed by firstly estimating replacement cost as of the date of valuation and then deducting depreciations from replacement cost. For assessment of replacement cost, sales comparison approach was applied for land, with sufficient reference to the benchmark price. As for building, replacement cost stated in the engineering report was used as reference and construction costs of similar buildings were taken into account to estimate replacement cost of the building and the indirect cost. There was no depreciation for land, and a combination of useful life and observation depreciation was used to assess depreciation of the building and the indirect cost. For land and building combined, the fact that the subject property is in the highest and best use was taken into account.

#### **TITLE INVESTIGATION**

We have been provided with copies of tenancy agreements and have been advised by the Company that no further relevant documents have been produced. However, we have not examined the original documents to verify ownership or to ascertain the existence of any amendment documents, which may not appear on the copies handed to us. All documents have been used for reference only.

#### **VALUATION ASSUMPTIONS**

Our valuations have been made on the assumption that the Properties are sold in the market in their existing state without the benefit of deferred terms contract, leaseback, joint venture, management agreement or any other similar arrangement which would serve to affect the value of the Properties. In addition, no forced sale situation in any manner is assumed in our valuations.

#### **VALUATION CONSIDERATIONS**

We have inspected the exterior and where possible, the interior of the Properties. Inspection of the Properties was carried out in March of 2017 by Mr. Yutaka Watanabe, who is a licensed appraiser and a member of the Japanese Association of Real Estate Appraisers.

During the course of our inspections, we did not note any serious defects. However, no structural surveys have been made nor have any tests been carried out on any of the services provided in the Properties. We are, therefore, unable to report that the Properties are free from rot, infestation or any other structural defects.

In the course of our valuations, we have relied to a very considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenures, particulars of occupancy, floor areas, identification of the Properties and other relevant information.

We have not carried out detailed on-site measurements to verify the correctness of the floor areas in respect of the Properties but have assumed that the floor areas shown on the documents handed to us are correct. Dimensions, measurements and areas included in the valuation certificates are based on information contained in the documents provided to us by the Company and are therefore only approximations.

We have no reason to doubt the truth and accuracy of the information provided to us by the Company and we have relied on the Company's confirmation that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view.

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

Our valuation has been prepared in accordance with the Japanese Real Estate Appraisal Standards (Revised on 1 May 2014) published by Ministry of Land, Infrastructure, Transport and Tourism.

## **REMARKS**

Unless otherwise stated, all money amounts stated herein are in Hong Kong Dollars (HK\$).

The exchange rate used in valuing the property in Japan was approximately that of the closing exchange rates as at 31 March 2017, which was JPY1 = HK\$14.44. No allowances have been made for any exchange transfer.

Our Summary of Values and the Valuation Certificates are attached herewith.

Yours faithfully,  
For and on behalf of  
**Colliers International Tokyo**  
**Yutaka Watanabe**  
*Licensed Real Estate Appraiser*  
*Project Consultant*

*Note:* Yutaka Watanabe is a member of Japanese Association of Real Estate Appraisers who has over 10 years' experience in the valuations of properties in Japan.

## SUMMARY OF VALUES

## Properties held by the Company in Japan

No.	Property	Capital Value in existing state as at 31 March, 2017
1	Lot No. 130-1, Nihongi 4-chome, Nishi-ku, Kumamoto City, Kumamoto Prefecture <i>(Rise Kumamoto Station South)</i>	JPY206,000,000 (equivalent to HK\$14,266,000)
2	Lot No. 2-30 and other lots, Shinmachi 3-chome, Chuo-ku, Kumamoto City, Kumamoto Prefecture <i>(Rise Fujisakidai)</i>	JPY401,000,000 (equivalent to HK\$27,770,000)
3	Lot No. 5-4 and other lots, Chuogai, Chuo-ku, Kumamoto City, Kumamoto Prefecture <i>(Rise Shimodori)</i>	JPY441,000,000 (equivalent to HK\$30,540,000)
<b>Total:</b>		JPY1,048,000,000 (equivalent to HK\$72,576,000)

## VALUATION CERTIFICATE

## Property Interests held by the Company in Japan

No.	Property	Description and Tenure	Particulars of occupancy	Capital Value in existing state as at 31 March, 2017															
1	Lot No. 130-1, Nihongi 4-chome, Nishi-ku, Kumamoto City, Kumamoto Prefecture	<p>Rise Kumamoto Station South comprised a 5-storey medium-rise apartment building completed in August 2006.</p> <p>The property comprises one lot with a total surveyed site area of 485.12 sq m (or about 146.75 tsubo, or 5,220 sq ft)</p> <p>The net lettable area of the units of the existing building is as follows:</p> <table border="1"> <thead> <tr> <th>Floor</th> <th>sq m</th> <th>tsubo</th> </tr> </thead> <tbody> <tr> <td>Ground</td> <td>203.92</td> <td>61.69</td> </tr> <tr> <td>2nd</td> <td>203.92</td> <td>61.69</td> </tr> <tr> <td>3rd</td> <td>203.92</td> <td>61.69</td> </tr> <tr> <td>4th and 5th</td> <td>328.01</td> <td>99.22</td> </tr> </tbody> </table> <p>The property is leased to each end-tenant by the Company for a term of approximately mainly two years at the following monthly rents:</p> <p>approximately JPY1,103,000 per month</p> <p>The above rent is exclusive of management fee, utility charges, other outgoings and 8% consumption tax.</p> <p>Occupancy level as at inspection date: 100%.</p>	Floor	sq m	tsubo	Ground	203.92	61.69	2nd	203.92	61.69	3rd	203.92	61.69	4th and 5th	328.01	99.22	The property is currently occupied by the end-tenants for residential purpose.	JPY206,000,000 (equivalent to HK\$14,266,000)
Floor	sq m	tsubo																	
Ground	203.92	61.69																	
2nd	203.92	61.69																	
3rd	203.92	61.69																	
4th and 5th	328.01	99.22																	

**Notes:**

- (i) A tsubo is a measurement unit in Japan corresponding to about 3.3058 sq m.
- (ii) The registered owner of the Property is as the followings:  
  
GK Gyoko; Typically, a limited liability company, godo kaisha (GK) under the local company law acts a special purpose company and holds an investment portfolio and investors make investment into the GK through a silent partnership, tokumei kumiai (TK) agreement.
- (iii) The Property is zoned "Category I Residential Lot" with 60% of building coverage ratio and 200% of floor area ratio, located within Sunshade Restriction (4m, 5h – 3h), Article 22 of the Building Standards Act Area, Landscape Planning Area under local regulations and rules.
- (iv) The Property is located near the city center of Kumamoto where bus routes are available.

- (v) The leasing market for rental apartment has stable demand in the neighborhoods of central Kumamoto. In particular, owing to the series of earthquakes that occurred in 2016, the number of people willing to move to good quality buildings has been increasing and vacancy rate for such buildings has been decreasing. As a result, the market rent has either remained almost unchanged or has been slightly increasing. The tenant profile for Kumamoto rental apartment is considered to be stable, majority of whom are the office workers from mid to large-sized corporations headquartered in Kyushu Region.
- (vi) Demand for Kumamoto properties has been in line with Japan's economic recovery. In particular, investment demand for good quality building has also been increasing after the series of earthquakes that occurred in April 2016.
- (vii) There are no conditions stipulated in the lease of the Property as to the construction of the roadways, pathway, drainage, sewage and other facilities or services for public uses.
- (viii) In assessing the market value of the Property, we have taken into consideration of the existing lease conditions.
- (ix) Land is of freehold interest and the lender has obtained a mortgage lien. There are no encroachments in the Property.

## VALUATION CERTIFICATE

## Property Interests held by the Company in Japan

No.	Property	Description and Tenure	Particulars of occupancy	Capital Value in existing state as at 31 March, 2017																																	
2	Lot No. 2-30 and other lots, Shinmachi 3-chome, Chuo-ku, Kumamoto City, Kumamoto Prefecture	<p>Rise Fujisakidai comprised a 10-storey high-rise apartment building completed in April 2006.</p> <p>The property comprises three lots with a total surveyed site area of 349.70 sq m (or about 105.78 tsubo, or 3,763 sq ft)</p> <p>The net lettable area of the units of the existing building is as follows:</p> <table border="1"> <thead> <tr> <th>Floor</th> <th>sq m</th> <th>tsubo</th> </tr> </thead> <tbody> <tr><td>Ground</td><td>0.00</td><td>0.00</td></tr> <tr><td>2nd</td><td>143.76</td><td>43.49</td></tr> <tr><td>3rd</td><td>143.76</td><td>43.49</td></tr> <tr><td>4th</td><td>143.20</td><td>43.32</td></tr> <tr><td>5th</td><td>143.20</td><td>43.32</td></tr> <tr><td>6th</td><td>143.20</td><td>43.32</td></tr> <tr><td>7th</td><td>143.20</td><td>43.32</td></tr> <tr><td>8th</td><td>143.20</td><td>43.32</td></tr> <tr><td>9th</td><td>143.20</td><td>43.32</td></tr> <tr><td>10th</td><td>143.76</td><td>43.49</td></tr> </tbody> </table> <p>The property is leased to each end-tenant by the Company for a term of approximately mainly two years at the following monthly rents:</p> <p>approximately JPY2,073,300 per month</p> <p>The above rent is exclusive of management fee, utility charges, other outgoings and 8% consumption tax.</p> <p>Occupancy level as at inspection date: 100%.</p>	Floor	sq m	tsubo	Ground	0.00	0.00	2nd	143.76	43.49	3rd	143.76	43.49	4th	143.20	43.32	5th	143.20	43.32	6th	143.20	43.32	7th	143.20	43.32	8th	143.20	43.32	9th	143.20	43.32	10th	143.76	43.49	The property is currently occupied by the end-tenants for residential purpose.	JPY401,000,000 (equivalent to HK\$27,770,000)
Floor	sq m	tsubo																																			
Ground	0.00	0.00																																			
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10th	143.76	43.49																																			

**Notes:**

- (i) A tsubo is a measurement unit in Japan corresponding to about 3.3058 sq m.
- (ii) The registered owner of the Property is as the followings:
 

GK Gyoko; Typically, a limited liability company, godo kaisha (GK) under the local company law acts a special purpose company and holds an investment portfolio and investors make investment into the GK through a silent partnership, tokumei kumiai (TK) agreement.
- (iii) The Property is zoned "Commercial Lot" with 80% of building coverage ratio and 400% of floor area ratio, located within Quasi-fire Prevention District, Landscape Planning Area, Outdoor Advertisements Permission Area (Category III) under local regulations and rules.

- (iv) The Property is located near the city center of Kumamoto where bus routes are available.
- (v) The leasing market for rental apartment has stable demand in the neighborhoods of central Kumamoto. In particular, owing to the series of earthquakes that occurred in 2016, the number of people willing to move to good quality buildings has been increasing and vacancy rate for such buildings has been decreasing. As a result, the market rent has either remained almost unchanged or has been slightly increasing. The tenant profile for Kumamoto rental apartment is considered to be stable, majority of whom are the office workers from mid to large-sized corporations headquartered in Kyushu Region.
- (vi) Demand for Kumamoto properties has been in line with Japan's economic recovery. In particular, investment demand for good quality building has also been increasing after the series of earthquakes that occurred in April 2016.
- (vii) There are no conditions stipulated in the lease of the Property as to the construction of the roadways, pathway, drainage, sewage and other facilities or services for public uses.
- (viii) In assessing the market value of the Property, we have taken into consideration of the existing lease conditions.
- (ix) Land is of freehold interest and the lender has obtained a mortgage lien. There are no encroachments in the Property.

## VALUATION CERTIFICATE

## Property Interests held by the Company in Japan

No.	Property	Description and Tenure	Particulars of occupancy	Capital Value in existing state as at 31 March, 2017																																	
3	Lot No. 5-4 and other lots, Chuogai, Chuo-ku, Kumamoto City, Kumamoto Prefecture	<p>Rise Shimodori comprised a 10-storey high-rise apartment building completed in February 2005.</p> <p>The property comprises three lots with a total surveyed site area of 365.59 sq m (or about 110.59 tsubo, or 3,934 sq ft)</p> <p>The net lettable area of the units of the existing building is as follows:</p> <table border="1"> <thead> <tr> <th>Floor</th> <th>sq m</th> <th>tsubo</th> </tr> </thead> <tbody> <tr><td>Ground</td><td>0.00</td><td>0.00</td></tr> <tr><td>2nd</td><td>140.58</td><td>42.53</td></tr> <tr><td>3rd</td><td>140.58</td><td>42.53</td></tr> <tr><td>4th</td><td>140.58</td><td>42.53</td></tr> <tr><td>5th</td><td>140.58</td><td>42.53</td></tr> <tr><td>6th</td><td>140.58</td><td>42.53</td></tr> <tr><td>7th</td><td>140.58</td><td>42.53</td></tr> <tr><td>8th</td><td>140.58</td><td>42.53</td></tr> <tr><td>9th</td><td>140.58</td><td>42.53</td></tr> <tr><td>10th</td><td>140.58</td><td>42.53</td></tr> </tbody> </table> <p>The property is leased to each end-tenant by the Company for a term of approximately mainly two years at the following monthly rents:</p> <p>approximately JPY2,153,500 per month</p> <p>The above rent is exclusive of management fee, utility charges, other outgoings and 8% consumption tax.</p> <p>Occupancy level as at inspection date: 100%.</p>	Floor	sq m	tsubo	Ground	0.00	0.00	2nd	140.58	42.53	3rd	140.58	42.53	4th	140.58	42.53	5th	140.58	42.53	6th	140.58	42.53	7th	140.58	42.53	8th	140.58	42.53	9th	140.58	42.53	10th	140.58	42.53	The property is currently occupied by the end-tenants for residential purpose.	JPY441,000,000 (equivalent to HK\$30,540,000)
Floor	sq m	tsubo																																			
Ground	0.00	0.00																																			
2nd	140.58	42.53																																			
3rd	140.58	42.53																																			
4th	140.58	42.53																																			
5th	140.58	42.53																																			
6th	140.58	42.53																																			
7th	140.58	42.53																																			
8th	140.58	42.53																																			
9th	140.58	42.53																																			
10th	140.58	42.53																																			

**Notes:**

- (i) A tsubo is a measurement unit in Japan corresponding to about 3.3058 sq m.
- (ii) The registered owner of the Property is as the followings:  
  
YK Shinzan; Typically, a limited liability company, yugen kaisha (YK) under the local company law acts as a special purpose company and holds an investment portfolio and investors make investment into the YK through a silent partnership, tokumei kumiai (TK) agreement.
- (iii) The Property is zoned "Commercial Lot" with 80% of building coverage ratio and 600% of floor area ratio, located within Fire Prevention District, Landscape Planning Area, Parking Place Development Zones, Outdoor Advertisements Permission Area (Category III) under local regulations and rules.

- (iv) The Property is located near the city center of Kumamoto where bus routes are available.
- (v) The leasing market for rental apartment has stable demand in the neighborhoods of central Kumamoto. In particular, owing to the series of earthquakes that occurred in 2016, the number of people willing to move to good quality buildings has been increasing and vacancy rate for such buildings has been decreasing. As a result, the market rent has either remained almost unchanged or has been slightly increasing. The tenant profile for Kumamoto rental apartment is considered to be stable, majority of whom are the office workers from mid to large-sized corporations headquartered in Kyushu Region.
- (vi) Demand for Kumamoto properties has been in line with Japan's economic recovery. In particular, investment demand for good quality building has also been increasing after the series of earthquakes that occurred in April 2016.
- (vii) There are no conditions stipulated in the lease of the Property as to the construction of the roadways, pathway, drainage, sewage and other facilities or services for public uses.
- (viii) In assessing the market value of the Property, we have taken into consideration of the existing lease conditions.
- (ix) Land is of freehold interest and the lender has obtained a mortgage lien. There are no encroachments in the Property.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS

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

As at the Latest Practicable Date, the Directors and the chief executive of the Company had the following interests and short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such Director or, chief executive of the Company was taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or otherwise have been notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

#### *Interest or short positions in the shares of the Company:*

Name of Director	<i>Notes</i>	Number of the Shares interested <sup>(Note 3)</sup>	Approximately percentage of the total issued share capital of the Company (%)
Mr. Arnold Ip Tin Chee ("Mr. Ip")	1	600,000,000 (L) 37,800,000 (S)	75.0 4.7
Mr. Chang Sean Pey ("Mr. Chang")	2	24,900,000 (L)	3.1
Ms. Leung Churk Yin Jeanny ("Ms. Leung")	2	12,900,000 (L)	1.6

#### *Notes:*

- 1 KHHL is owned as to 20.0% by Ms. Chan Lit Lai Cecilia ("Ms. Chan"), mother of Mr. Ip and as to 80.0% by the The General Trust Company S.A. on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Lam Ip Tin Wai Chyvette ("Ms. Ip"), sister of Mr. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL.

- 2 Pursuant to the option deeds entered into between KHHL and each of Mr. Chang and Ms. Leung, KHHL granted call options to Mr. Chang and Ms. Leung, entitling them to purchase from KHHL up to 24,900,000 and 12,900,000 option shares, representing approximately 3.1% and 1.6% of the issued share capital of the Company (without taking into account of any shares which may be issued pursuant to the exercise of any options which may be granted under the share option scheme), at the exercise price of HK\$0.00004 per Option Share (subject to adjustment).
- 3 The letters “L” and “S” denote a long position and a short position in the shares of the Company respectively.

***Interest in associated corporations of the Company:***

Name	Name of associated corporation	Nature of interest	Interests in shares <sup>(Note 1)</sup>	Approximately percentage shareholding (%)
Mr. Ip	KHHL I Corporation	Beneficiary of a trust	204 (L)	80.0
		Interest in spouse	14 (L)	20.0
Ms. Leung	Residence Motoki Investment Limited	Beneficial owner	10 (L)	0.33
Mr. Chang	Residence Motoki Investment Limited	Beneficial owner	5 (L)	0.17

*Note:* The letters “L” and “S” denote a long position and a short position in the shares of the Company respectively.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executives of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Part XV of the SFO or the GEM Listing Rules.

**(b) Directors’ service contracts**

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

**(c) Directors’ interest in assets and/or arrangement**

- (i) as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, being 31 March 2016, acquired or disposed of by, or leased to the Company or any of its subsidiaries, or are proposed to be acquired or disposed of by, or leased to, the Company or any of its subsidiaries; and

- (ii) as at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement entered into by the Company or any of its subsidiaries which contract or arrangement is subsisting at the date of this circular and which is significant in relation to the business of the Group.

**(d) Directors' interest in competing business**

As at the Latest Practicable Date, none of the Directors or their respective associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to the GEM Listing Rules.

**3. SUBSTANTIAL SHAREHOLDERS**

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the persons (“**Substantial Shareholders**”) (other than the Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO:

*Interest or short positions in the shares of the Company:*

Name of Shareholder	Nature of interest	Number of the Shares interested <sup>(Note 1)</sup>	Approximately percentage of the total issued share capital of the Company (%)
KHHL <sup>(Note 2)</sup>	Beneficial owner	600,000,000 (L)	75.0
		37,800,000 (S) <sup>(Note 3)</sup>	4.7
The General Trust Company S.A.	Trustee	600,000,000 (L)	75.0
		37,800,000 (S) <sup>(Note 3)</sup>	4.7
Ms. Chan <sup>(Note 2)</sup>	Founder of a discretionary trust	600,000,000 (L)	75.0
		37,800,000 (S) <sup>(Note 3)</sup>	4.7
Mr. Ip <sup>(Note 2)</sup>	Beneficiary of a trust	600,000,000 (L)	75.0
		37,800,000 (S) <sup>(Note 3)</sup>	4.7
Ms. Ip <sup>(Note 2)</sup>	Beneficiary of a trust	600,000,000 (L)	75.0
		37,800,000 (S) <sup>(Note 3)</sup>	4.7
Ms. Ho Shuk Yee (“ <b>Ms. Ho</b> ”) <sup>(Note 4)</sup>	Interest of spouse	600,000,000 (L)	75.0
		37,800,000 (S) <sup>(Note 3)</sup>	4.7

*Notes:*

- 1 The letters “L” and “S” denote a long position and a short position in the shares of the Company respectively.
- 2 KHHL is owned as to 20.0% by Ms. Chan and as to 80.0% by the The General Trust Company S.A. on behalf of The Hecico 1985 Trust, of which Ms. Chan is the founder and Mr. Ip and Ms. Ip are beneficiaries. By virtue of the SFO, the Trustee, Ms. Chan, Mr. Ip and Ms. Ip are deemed to be interested in all the shares of the Company held by KHHL.
- 3 Pursuant to the option deeds entered into between KHHL and each of Mr. Chang and Ms. Leung, KHHL granted call options to Mr. Chang and Ms. Leung, entitling them to purchase from KHHL up to 24,900,000 and 12,900,000 option shares, representing approximately 3.1% and 1.6% of the issued share capital of the Company (without taking into account of any shares which may be issued pursuant to the exercise of any options which may be granted under the share option scheme), at the exercise price of HK\$0.00004 per Option Share (subject to adjustment).
- 4 Pursuant to the SFO, Ms. Ho, the spouse of Mr. Ip, is deemed to be interested in all the shares of the Company in which Mr. Ip is deemed to be interested in.

***Interest or short position in other members of the Group:***

Name of Shareholder	Name of member of the Group	Nature of interest	Number of shares <sup>(Note)</sup>	Percentage shareholding (%)
Ms. Ho	I Corporation	Beneficial owner	14 (L)	20.0
Mr. Henry Shih	Smart Tact Property Investment Limited	Beneficial owner	922 (L)	10.0
	Residence Motoki Investment Limited	Beneficial owner	300 (L)	10.0
Mr. Richard Lo	Residence Motoki Investment Limited	Interest in controlled corporations	300 (L)	10.0
	EXE Rise Shimodori Investment Limited	Beneficial owner	10 (L)	10.0

*Note:* The letters “L” and “S” denote a long position and a short position in the shares of the Company respectively.

Save as disclosed above, the Directors and chief executives of the Company are not aware that there is any party who, as at Latest Practicable Date, had or deemed to have, an interest or short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under section 336 of the SFO.

#### 4. INTERESTS OF THE COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, New Spring Capital Limited (“**New Spring**”), as at the Latest Practicable Date, except for (i) New Spring’s participation as the sponsor in relation to the Company’s listing on GEM; and (ii) the compliance adviser agreement entered into between the Company and New Spring dated 17 October 2016, neither New Spring nor its directors, employees or associates had any interest in relation to the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

#### 5. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries have been engaged in any litigation or claims of material importance and, so far as the Directors are aware, there was no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

#### 6. MATERIAL CONTRACTS

The following contracts, not being contracts in the ordinary course of business of the Group, were entered into by the Group within two years immediately preceding the date of this circular which are or may be material:

- (a) the underwriting agreement dated 29 September 2016 entered into between the Company, Aristo Securities Limited and Yuanta Securities (Hong Kong) in relation to the underwriting of 200,000,000 placing Shares at a placing price of not more than HK\$0.48 per Share and not less than HK\$0.32 per Share related to the listing of Shares on GEM;
- (b) the sale and purchase agreement dated 17 November 2016 entered into between Starich Resources Limited, a wholly-owned subsidiary of our Company, as purchaser and a vendor in relation to the acquisition of 2,400 shares in Japan Special Situation Investment Limited (“**JSSI**”) which is a company principally engaged in property investment, and the outstanding loan owned by JSSI to the vendor with a total consideration of approximately JPY188.8 million which was settled in full by cash;
- (c) the sale and purchase agreement dated 17 November 2016 entered into between I Corporation, a non wholly-owned subsidiary of our Company, as seller and a purchaser with a consideration of JPY159.5 million in relation to the disposal of 6,256 shares in Nicewell Enterprises Limited;
- (d) the sale and purchase agreement dated 17 December 2016 entered into between YK Houten, the TK Operator of a TK Arrangement which Starich is the TK Investor, as purchaser and a vendor with a consideration of JPY360.0 million in relation to the acquisition of a property in Sapporo City, Japan; and

(e) the SPA 1, SPA 2 and SPA 3 with a total consideration of JPY1,050.0 million.

## 7. EXPERTS AND CONSENTS

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

<b>Name</b>	<b>Qualification</b>
SHINEWING (HK) CPA LIMITED	Certified Public Accountants
Colliers International Tokyo	Independent Property Valuer

As at the Latest Practicable Date, each of the above experts did not have:

- (a) any direct or indirect interest in any assets which have 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 Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and
- (b) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

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

## 8. GENERAL

- (a) The joint company secretaries of the Company are Ms. Law Yin Nee and Ms. Chan Ka Lam, both are members of the Hong Kong Institute of Certified Public Accountants;
- (b) The compliance officer of the Company is Ms. Leung Churk Yin Jeanny, who is an executive Director;
- (c) The registered office of the Company is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands;
- (d) The Company's headquarters and principal place of business is located at 21 Wing Woo Street, Central, Hong Kong;
- (e) The Hong Kong branch share registrar and transfer office is Tricor Investor Services Limited, which is located at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong;

- (f) The Company has established the audit committee on 26 September 2016 with written terms of reference in compliance with the Corporate Governance Code and Rule 5.28 of the GEM Listing Rules. The primary duties of our audit committee are mainly (i) to make recommendations to our Board on the appointment and removal of external auditors; (ii) to review and revise our Group's financial statements and render advice in respect of financial reporting; (iii) to oversee internal control procedures and corporate governance of our Group; (iv) to supervise internal control and risk management systems of our Group; and (v) to monitor any continuing connected transactions. All members of our audit committee are appointed by our Board. Our audit committee currently consists of all three of our independent non-executive Directors, namely Mr. Chao Tien Yo, who is a qualified solicitor in England, Wales and Hong Kong and was previously an independent non-executive director of China Communications Construction Company Limited; Mr. Chan Sun Kwong, who is a member of the Hong Kong Institute of Certified Public Accountants and was previously an independent non executive director of Krin Group Holdings Limited, Megalogic Technology Holdings Limited, Pak Tak International Limited, Sustainable Forest Holdings Limited and previously an executive director of Noble Century Investment Holdings Limited; and Mr. Lee Shu Yin, who has over 20 years of experience in corporate finance, investment and management, and is currently the non-executive director of Tian An China Investments Company Limited. Mr. Chan Sun Kwong is the chairman of our audit committee; and
- (g) The English text of this circular prevails over the Chinese text.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 21 Wing Woo Street, Central, Hong Kong for a period of 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company;
- (b) the audited consolidated financial statements of our Group for the two years ended 31 March 2016;
- (c) the report from SHINEWING (HK) CPA LIMITED in respect of the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix III to this circular;
- (d) the property valuation report prepared by Colliers International Tokyo, the text of which is set out in Appendix IV to this circular;
- (e) the material contracts referred to in the paragraph headed "Material contracts" above;
- (f) the letters of consent referred to in the paragraph headed "Experts and consents" above; and
- (g) this circular.