THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Mason Financial Holdings Limited, you should at once hand the Prospectus Documents to the purchaser, the transferee or to the bank, licensed securities dealer, registered institution in securities, or other agents through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (WUMP) Ordinance. The Securities and Futures Commission and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. You should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements will affect your rights and interests.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

MASON FINANCIAL HOLDINGS LIMITED

民信金控有限公司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY FIVE (5) SHARES HELD ON THE RIGHTS ISSUE RECORD DATE

Underwriter

海通國際
HAITONG

Haitong International Securities Company Limited

Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus unless the context requires otherwise.

The Latest Time for Acceptance is at 4:00 p.m. on Wednesday, 1 February 2017. The procedures for application and payment for the Rights Shares are set out on pages 19 to 22 of this Prospectus.

The Shares have been dealt on an ex-rights basis from Wednesday, 4 January 2017. Dealings in the Rights Shares in the nil-paid form are expected to take place from Tuesday, 17 January 2017 to Tuesday, 24 January 2017 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or the Underwriting Agreement is terminated by the Underwriter on or before 4:00 p.m. on Thursday, 2 February 2017 or such later time and/or date as may be agreed between the Company and the Underwriter, the Rights Issue will not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares up to the date on which all the conditions of the Rights Issue are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases), and any dealings in the nil-paid Rights Shares between Tuesday, 17 January 2017 to Tuesday, 24 January 2017 (both days inclusive), shall bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons dealing or contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

The Rights Issue is conditional, among other things, upon the fulfillment or waiver of the conditions set out under the section headed "Conditions of the Rights Issue and the Underwriting Agreement" of the letter from the Board on pages 25 to 26 of this Prospectus. In particular, it is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof. Accordingly, the Rights Issue may or may not proceed. Any dealing in the Shares up to the date on which all conditions of the Rights Issue are fulfilled or waived (if applicable) will bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares are advised to consult their own professional advisers.

The Underwriting Agreement in respect of the Rights Issue contains provisions entitling the Underwriter by notice in writing to the Company to terminate the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 8 to 9 of this Prospectus.

Any Shareholder or other person contemplating selling or purchasing Shares or Nil Paid Rights during this period is advised to exercise caution when dealing in the Shares or Nil Paid Rights and those who are in any doubt about their position are recommended to consult their professional advisers.

13 January 2017

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Appendix I — Financial Information of the Group I-1

Appendix II — Unaudited pro forma Financial Information of the Group II-1

Appendix III — General Information III-1

In this Prospectus, the following expressions have the meanings set out below unless the context requires otherwise:

"acting in concert"	has the meaning ascribed thereto under the Takeovers Code
"Announcement"	the announcement of the Company dated 28 October 2016 in relation to, among other things, the Rights Issue and the Underwriting Agreement
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Bonus Issue"	the proposed allotment and issue of the Bonus Shares to the Qualifying Shareholders (Bonus Issue) whose names appear on the register of members of the Company on the Bonus Issue Record Date on the basis of one (1) Bonus Share for every ten (10) Shares
"Bonus Issue Record Date"	22 February 2017 or such other date as determined by the Company, being the date for determining entitlements of Shareholders to participate in the Bonus Issue
"Bonus Shares"	the Share(s) to be allotted and issued pursuant to the Bonus Issue, being 4,056,213,232 new Shares
"Business Day"	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning signal no. 8 or above is in force or remains in force between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is in force or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Circular"	the circular of the Company dated 13 December 2016 in relation to, among other things, the Rights Issue and the Underwriting Agreement
"Companies (WUMP) Ordinance"	the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong, as amended or supplemented from time to time

"Company"	Mason Financial Holdings Limited, a company incorporated in Hong Kong with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 273)
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Director(s)"	the director(s) of the Company
"EAF(s)"	the form(s) of application for use by the Qualifying Shareholders (Rights Issue) who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
"Future Achiever"'	Future Achiever Limited, a company incorporated in the British Virgin Islands with limited liability and is a Substantial Shareholder of the Company
"GM"	the general meeting of the Company held on 30 December 2016 for the Independent Shareholders to consider and approve, among other things, (i) the Rights Issue; and (ii) the Underwriting Agreement and the transactions contemplated thereunder
"Grace Gorgeous"	Grace Gorgeous Investment Holdings Ltd., a company incorporated in the British Virgin Islands with limited liability and is owned as to 40% by First Elite Ventures Limited, which is wholly-owned by Mr. Tong Tang, Joseph, who is a non-executive Director, and is a Substantial Shareholder of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	Shareholder(s) other than Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates and any Shareholders who are involved in, or interested in, or have a material interest in the Rights Issue and/or the Underwriting Agreement

"Independent Third Party(ies)"	a person, persons, company or companies which is or are independent of, and not connected with (within the meaning under the Listing Rules), any directors, chief executive or substantial shareholders of the Company, any of its subsidiaries or any of their respective associate(s)
"Irrevocable Undertakings"	the irrevocable undertakings referred to in the sub-section headed "The Irrevocable Undertakings" under the section headed "The Underwriting Agreement" in this Prospectus dated 28 October 2016 executed by each of Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite in favour of the Company and the Underwriter
"Last Trading Date"	28 October 2016, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
"Latest Practicable Date"	6 January 2017, being the latest practicable date prior to printing of this Prospectus for the purpose of ascertaining certain information contained herein
"Latest Time for Acceptance"	4:00 p.m. on Wednesday, 1 February 2017 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares
"Latest Time for Termination"	4:00 p.m. on Thursday, 2 February 2017, being the next Business Day after the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Non-Qualifying Shareholder(s) (Bonus Issue)"	those Overseas Shareholder(s) (Bonus Issue) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Bonus Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
"Non-Qualifying Shareholder(s) (Rights Issue)"	those Overseas Shareholder(s) (Rights Issue) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

"Overseas Shareholder(s) (Bonus Issue)"	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Bonus Issue Record Date) which is(are) outside Hong Kong
"Overseas Shareholder(s) (Rights Issue)"	Shareholder(s) with registered address(es) (as shown on the register of members of the Company on the Rights Issue Record Date) which is(are) outside Hong Kong
"PAL(s)"	the provisional allotment letter(s) for use by the Qualifying Shareholders (Rights Issue) in connection with the Rights Issue
"Posting Date"	13 January 2017 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents
"PRC"	the People's Republic of China, which for the purpose of this Prospectus excludes Hong Kong, Macau and Taiwan
"Prospectus"	this prospectus issued by the Company in relation to the Rights Issue
"Prospectus Documents"	the Prospectus, PAL and EAF
"Qualifying Shareholder(s) (Bonus Issue)"	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Bonus Issue Record Date, other than the Non-Qualifying Shareholder(s) (Bonus Issue)
"Qualifying Shareholder(s) (Rights Issue)"	Shareholder(s) whose name(s) appeared on the register of members of the Company on the Rights Issue Record Date, other than the Non-Qualifying Shareholder(s) (Rights Issue)
"Registrar"	the share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Rights Issue"	the proposed issue of the Rights Shares by way of rights on the Rights Issue Record Date at the Subscription Price pursuant to the Prospectus Documents and as contemplated under the Underwriting Agreement
"Rights Issue Record Date"	12 January 2017 or such other date as may be agreed between the Company and the Underwriter, being the date for determining entitlements of Shareholders to participate in the Rights Issue

"Rights Share(s)"	22,124,799,450 Shares in the Company proposed to be allotted and issued by the Company to the Qualifying Shareholders (Rights Issue) for subscription pursuant to the Rights Issue
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) in the share capital of the Company
"Shareholder(s)"	the holder(s) of the Share(s)
"Specified Event"	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which render any of the warranties contained in the Underwriting Agreement untrue or incorrect in any material respect
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	HK$0.13 per Rights Share
"Substantial Shareholder"	has the meaning ascribed to it under the Listing Rules
"True Elite"	True Elite Limited, a company incorporated in Samoa with limited liability and is wholly-owned by Mr. Chang Tat Joel, who is an executive Director
"Underwriter"	Haitong International Securities Company Limited, a licensed corporation to carry out business in type 1 (dealing in securities), type 3 (leveraged foreign exchange trading) and type 4 (advising on securities) regulated activities under the SFO
"Underwriting Agreement"	the underwriting agreement entered into between the Company and the Underwriter on 28 October 2016 in relation to the underwriting arrangement in respect of the Rights Issue
"Underwritten Shares"	13,273,185,492 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
"%"	per cent

The English language version of this Prospectus has been translated into the Chinese language. If there should be any inconsistency between the English and Chinese versions, the English version shall prevail.

The expected timetable for the Rights Issue and the relevant trading arrangement is set out below:

Events	**2017**
First day of dealings in nil-paid Rights Shares	Tuesday, 17 January
Latest time for splitting nil-paid Rights Shares	4:30 p.m., on Thursday, 19 January
Last day of dealings in nil-paid Rights Shares	Tuesday, 24 January
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m., on Wednesday, 1 February
Latest time to terminate the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m., on Thursday, 2 February
Announcement of results of the Rights Issue	Tuesday, 7 February
Refund cheques, if any, to be despatched (if the Rights Issue is terminated and in respect of unsuccessful or partially successful application for excess Rights Shares) and certificates for fully paid Rights Shares to be despatched on or before	Wednesday, 8 February
Commencement of dealings in fully-paid Rights Shares	9:00 a.m., on Thursday, 9 February
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Thursday, 9 February
Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of Rights Shares and Bonus Shares	4:00 p.m. on Thursday, 9 March

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above or in other parts of this Prospectus are indicative only and may be extended or varied. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate in accordance with the Listing Rules.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning issued by the Hong Kong Observatory:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Time for Acceptance. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Latest Time for Acceptance, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

If, prior to the Latest time for Termination:

(1) in the reasonable opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:

(a) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue after the signing of the Underwriting Agreement;

(b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;

(c) any materially adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of the Group as a whole;

(d) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement which would, in the reasonable opinion of the Underwriter, materially and adversely affect the business or the financial or trading position of the Group as a whole;

(e) the commencement by any third party of any litigation or claim against any member of the Group after the signing of the Underwriting Agreement which, in the reasonable opinion of the Underwriter, is or might be material to the Group taken as a whole;

(f) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or

(2) there is any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions) occurs which, in the reasonable opinion of the Underwriter, makes it inexpedient or inadvisable to proceed with the Rights Issue; or

(3) the Company withdraws the Prospectus (and/or any other documents issued or used in connection with the Rights Issue) or the Rights Issue,

the Underwriter shall be entitled, by notice in writing to the Company served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

(1) any material breach of any of the warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or

(2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination. Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith. If the Underwriter exercises such right, the Rights Issue will not proceed.

If the Underwriter or the Company terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement would be made if the Underwriting Agreement is terminated by the Underwriter or the Company.

MASON FINANCIAL HOLDINGS LIMITED

民 信 金 控 有 限 公 司

(Incorporated in Hong Kong with limited liability)

(Stock Code: 273)

Executive Directors:
Mr. Ko Po Ming
(Joint Chairman and Chief Executive Officer)
Mr. Chang Tat Joel
Mr. Man Wai Chuen
Ms. Lui Choi Yiu, Angela

Non-executive Directors:
Mr. Tong Tang, Joseph *(Joint Chairman)*
Ms. Hui Mei Mei, Carol

Independent non-executive Directors:
Mr. Lam Yiu Kin
Mr. Yuen Kwok On
Mr. Tian Ren Can

Registered office and Principal Office:
Units 4708–10, 47/F
The Center
99 Queen's Road Central
Hong Kong

13 January 2017

To the Qualifying Shareholders (Rights Issue)

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF SIX (6) RIGHTS SHARES FOR EVERY FIVE (5) SHARES HELD ON THE RIGHTS ISSUE RECORD DATE

INTRODUCTION

Reference is made to (i) the Announcement and the Circular in relation to, among other things, the Rights Issue; and (ii) the announcement of the Company dated 30 December 2016 in relation to the poll results of the GM.

As disclosed in the Circular, the Company proposed to undertake the Rights Issue on the basis of six (6) Rights Shares for every five (5) Shares held by the Qualifying Shareholders (Rights Issue) on the Rights Issue Record Date. As at the Rights Issue Record Date, the Company had 18,437,332,875 Shares in issue. Therefore, a total of 22,124,799,450 Rights

Shares will be allotted and issued by the Company under the Rights Issue. Having taken into account the Irrevocable Undertakings, a total of 13,273,185,492 Rights Shares are underwritten by the Underwriter.

At the GM held on 30 December 2016, the resolution in respect of the Rights Issue and the Underwriting Agreement was approved by the Independent Shareholders by way of poll. As there was no Controlling Shareholder, the Directors and their respective associates were required to abstain and had abstained from voting in favour of the Rights Issue at the GM.

The purpose of this Prospectus is to provide you with, among other things, further details of (i) the Rights Issue (including the procedures for application and payment for the Rights Shares); (ii) the financial information of the Group; and (iii) the general information of the Group.

RIGHTS ISSUE

The Board proposed to raise gross proceeds of approximately HK$2,876 million (before expenses) by way of Rights Issue and details are set out as follows:

Issue statistics

Basis of the Rights Issue:	six (6) Rights Shares for every five (5) Shares held at the close of business on the Rights Issue Record Date
Subscription Price:	HK$0.13 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	18,437,332,875 Shares
Number of Rights Shares:	22,124,799,450 Rights Shares
Number of Shares in issue upon completion of the Rights Issue:	40,562,132,325 Shares, assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the completion of the Rights Issue
Amount to be raised before expenses:	Approximately HK$2,876 million
Right of excess applications:	Qualifying Shareholders (Rights Issue) may apply for the Rights Shares in excess of their provisional allotment

The Company does not have any outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

The 22,124,799,450 Rights Shares represent 120% of the Company's issued share capital as at the Latest Practicable Date and will represent approximately 54.5% of the Company's issued share capital as enlarged by the Rights Issue assuming no further issue of new Share(s) other than the Rights Shares and no repurchase of Share(s) on or before the completion of the Rights Issue.

Qualifying Shareholders (Rights Issue)

The Rights Issue is only available to the Qualifying Shareholders (Rights Issue). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Rights Issue Record Date and not be a Non-Qualifying Shareholder (Rights Issue).

Qualifying Shareholders (Rights Issue) who take up their pro-rata entitlements in full under the Rights Issue will not suffer any dilution to their interests in the Company. If a Qualifying Shareholder (Rights Issue) does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders (Rights Issue)

The Prospectus Documents have not been registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company has complied with Rule 13.36(2)(a) of the Listing Rules and made enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholder(s) (Rights Issue).

According to the register of members of the Company as at the Latest Practicable Date, there were: (i) one (1) Overseas Shareholder (Rights Issue) whose registered address is in the PRC; and (ii) two (2) Overseas Shareholders (Rights Issue) whose registered addresses are in Macau. The Overseas Shareholders (Rights Issue) represents less than 1.0% of the total issued Shares as at the Latest Practicable Date.

Having made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholders (Rights Issue), with registered address(es) (as shown in the register of members of the Company) under the jurisdictions set out above and taking into account the foreign legal opinions as at the Latest Practicable Date, provided by the PRC legal adviser and the Macau legal adviser engaged by the Company, the Directors are of the view that (i) it is expedient to extend the Rights Issue to the Overseas Shareholders (Rights Issue) with registered addresses in Macau as there are no specific legal restrictions and/or regulatory requirements applicable in Macau in terms of offering the Rights Shares to the Overseas Shareholders (Rights Issue) with registered addresses in Macau and (ii) it is inexpedient to extend the Rights Issue to the Overseas Shareholder (Rights Issue) with registered address in the PRC due to legal restrictions and/or regulatory requirements applicable in the PRC.

Accordingly, the Company will extend the Rights Issue to the two (2) Overseas Shareholders (Rights Issue) with registered addresses in Macau and regard them as Qualifying Shareholders (Rights Issue) but will not extend the Rights Issue to the one (1) Overseas Shareholder (Rights Issue) with registered address in the PRC and regard him as a Non-

Qualifying Shareholder (Rights Issue). The Company will send a copy of the Prospectus to the Non-Qualifying Shareholder (Rights Issue) for his information only, but will not send any PAL or EAF to him.

Save as described above, no action has been taken to permit the offering of the Rights Shares, or the distribution of the Prospectus Documents, in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving a copy of the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdiction such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements.

It is the responsibility of any person (including but without limitation to nominee, custodian, agent and trustee) receiving a copy of the Prospectus Documents outside Hong Kong and wishing to take up the Rights Shares or make an application for excess Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and/or observing any other formalities which may be required in such territory or jurisdiction, and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been complied with. If you are in any doubt as to your position, you should consult your professional adviser. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

Basis of provisional allotments

The basis of the provisional allotment shall be six (6) Rights Shares (in nil-paid form) for every five (5) Shares held by the Qualifying Shareholders (Rights Issue) as at the close of business on the Rights Issue Record Date.

Application for all or any part of a Qualifying Shareholder (Rights Issue)'s provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

The Subscription Price and the subscription basis (i.e. six (6) Rights Shares for every five (5) existing Shares held) were arrived at after arm's length negotiations between the Company and the Underwriter with reference to the amount of fund raising targeted by the Company under the Rights Issue and the market price of the Shares under the prevailing market conditions. Upon determining (i) the target fund raising amount after assessing the funding needs of the Company and (ii) the Subscription Price after considering the discount of the Subscription Price to the closing prices of the Shares acceptable to the Underwriter and the attractiveness to the Qualifying Shareholders (Rights Issue) to participate in the Rights Issue, the Directors decided on a subscription basis of six (6) Rights Shares for every five (5) existing Shares. The Directors are of the view that in the event that the Subscription Price is increased and the subscription basis is changed to a higher basis, the attractiveness to the Underwriter and also Qualifying Shareholders (Rights Issue) to participate in underwriting the Rights Issue will likely decrease.

The Directors note that a division rate based on five (5) existing Shares in respect of the board lot size of 20,000 Shares would create odd lots of Rights Shares. Based on the shareholding information as at the Latest Practicable Date available from the Company's share registrar and transfer office, Computershare Hong Kong Investor Services Limited, 92.9% of the registered Shareholders hold odd lots of existing Shares. Given there already exist a high proportion of Shareholders holding odd lots of existing Shares, the subscription basis of six (6) Rights Shares for every five (5) existing Shares will not substantially increase the odd lot holdings of Shareholders. Please refer to the effects on each board lot set out in the table under the paragraph headed "Effects of the Rights Issue and Bonus Issue".

In addition, the Directors have tried to minimise the difficulties arising from existence of odd lots of the existing Shares and potential odd lots of Rights Shares arising from the Rights Issue by (i) arranging odd lot matching services for Shareholders and (ii) preference will be given to topping up odd lots to whole board lots in excess application allocation. Therefore, having considered the funding needs of the Company, the Directors believe that the Subscription Price and subscription basis under the Rights Issue are critical for the participation of the Underwriter and also would attract Qualifying Shareholders (Rights Issue) to reinvest in the Company through the Rights Issue.

Given that each Qualifying Shareholder (Rights Issue) is entitled to subscribe for the Rights Shares at the same price in proportion to his/her/its existing shareholding in the Company, if all the Shareholders participate in the Rights Issue, the Rights Issue will not have a dilutive impact on the shareholding of the Qualifying Shareholders (Rights Issue). The Rights Issue also provides an exit mechanism to those Shareholders who do not want to participate in the Rights Issue by selling out their nil-paid rights. The availability of excess application for the Rights Shares allows those Qualifying Shareholders (Rights Issue), who want to share more of the future development of the Company, to apply for more Rights Shares than their respective entitlements to the Rights Shares.

Subscription price

The Subscription Price for the Rights Shares is HK$0.13 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK$0.128.

The Subscription Price represents:

(a) a discount of approximately 45.4% to the closing price of HK$0.238 per Share as quoted on the Stock Exchange on the Last Trading Day;

(b) a discount of approximately 27.4% to the theoretical ex-rights price of approximately HK$0.179 per Share based on the closing price of HK$0.238 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 46.1% to the average of the closing prices of approximately HK$0.241 per Share based on the closing prices of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;

(d) a discount of approximately 24.4% to the closing price of HK$0.172 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

(e) a discount of approximately 16.7% to the unaudited consolidated net asset value per Share attributable to equity holders of the Company of approximately HK$0.156 based on the unaudited consolidated net asset value of the Company and the then number of issued Shares as at 30 June 2016.

Basis of determining the Subscription Price

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to (i) the low trading liquidity of the Shares for the recent twelve (12) months (the average daily trading volume of the Shares per month ranged from approximately 0.01% to approximately 0.13% of the total number of issued shares as at the end of the relevant month/period from November 2015 to October 2016 (up to and including the Last Trading Day)); (ii) the market price of the Shares under the prevailing market conditions; and (iii) having considered the future business development of the Group as disclosed in the section headed "Reasons for the Rights Issue and Use of Proceeds" to determine the fund raising amount of the Rights Issue.

The Directors consider that the discount encourages the Qualifying Shareholders (Rights Issue) to maintain their respective shareholdings in the Company and participate in the potential growth of the Group. Each Qualifying Shareholder (Rights Issue) is entitled to subscribe for the Rights Shares at the Subscription Price in proportion to his/her/its existing shareholding in the Company.

Apart from the aforesaid, in arriving at the current subscription basis for the Rights Issue and the Subscription Price, the Company has also considered the following factors:

(i) given that the fund raising size of the Rights Issue of approximately HK$2,876 million (before expenses) was around 0.66 times of the market capitalisation of approximately HK$4,388 million of the Company as at the Last Trading Day, the Directors are of the view that the Subscription Price needs to be set at a sufficient discount for inducing the Underwriter to provide underwriting services under the Rights Issue and attracting all of the Qualifying Shareholders (Rights Issue) to participate in the Rights Issue;

(ii) in view of the uncertainties in the financial market in Hong Kong as a result of the uncertainties stemming from fluctuating market sentiments, capital flow, trend of interest rate, volatility in money supply in different major economies and different economic decisions made by different countries, the Directors consider that it will be difficult to attract the Qualifying Shareholders (Rights Issue) to reinvest in the Company through the Rights Issue if the Subscription Price was not set at a attractive discount to the historical trading prices of the Shares. The closing price of the Shares for the past three (3) months up to and including the Last Trading Day, i.e. 28 October 2016, ranged from HK$0.238 to HK$0.305, with an average trading volume of 14,952,624 Shares per day. The Subscription Price is at a discount of approximately 45.38% and 57.38% to the lowest and highest closing prices for the past three (3) months ended 28 October 2016;

(iii) under the Rights Issue, all the Qualifying Shareholders (Rights Issue) will be offered the same opportunity to maintain their proportionate interests in the Company and to participate in the growth and development of the Company. Should the Qualifying Shareholders (Rights Issue) participate in the Rights Issue, they will be subscribing for the Rights Shares at a lower price as compared to the prevailing market price of the Shares;

(iv) the inherent dilutive nature of the Rights Issue in general if the Qualifying Shareholders (Rights Issue) did not take up their entitlements under the Rights Issue in full. However, the Qualifying Shareholders (Rights Issue) have first right to decide whether or not to accept their entitlements of the Rights Shares; and

(v) although the Rights Issue has an inherent dilutive nature, it is subject to Independent Shareholders' approval, which means that the Independent Shareholders have a right to disapprove the Rights Issue and the Underwriter has also undertaken to the Company that none of the persons to be procured by the Underwriter to subscribe for the Underwritten Shares will be a controlling Shareholder as a result of the Rights Issue.

The Directors have compared the terms of the Rights Issue to other rights issue conducted by other companies listed on the Stock Exchange. The Directors have reviewed the proposed rights issue which (i) have subscription ratios above one (1) for two (2) and therefore would be subject to shareholders' approval which is the case of the Rights Issue and; (ii) were initially announced by companies listed on the Stock Exchange during the six (6) months period immediately prior to the Last Trading Day, commencing from 28 April 2016, and identified twelve (12) proposed rights issues (the "**Rights Issue Comparables**"). The Directors consider that the Rights Issue Comparables can provide a general reference for recent market practice, market conditions and sentiments. The Directors also note that the Rights Issue Comparables may vary from the Company in respect of business nature, financial positions, market capitalisation, funding requirements and future prospects. As a result of such differences, the

Directors consider that the Rights Issue Comparables might not constitute an absolute close reference to the Rights Issue. However, as the Rights Issue Comparables are the most recent rights issue transactions publicly announced, the Directors consider that the Rights Issue Comparables best represent recent market conditions and provide a general reference for the terms of the Rights Issue in the prevailing market conditions.

Details regarding the Rights Issue Comparables are set out below:

No.	Name of company	Stock code	Date of initial announcement	Basis of entitlement	Discount of subscription price to the closing price on last trading day (%) *(Note 1)*	Discount of subscription price to the theoretical ex-rights price (%) *(Note 1)*	Excess application (Y/N)	Underwriting commission (%)	Maximum dilution (%) *(Note 2)*
1	Time2U International Holding Ltd.	1327	11 May 2016	2 for 1	(49.1)	(24.3)	Y	1.5	66.7
2	Unity Investments Holdings Ltd.	913	23 May 2016	2 for 1	(25.4)	(10.1)	N	1.5	66.7
3	China Properties Investment Holdings Ltd.	736	24 May 2016	4 for 1	(42.2)	(13.0)	Y	2.5	80.0
4	Lerado Financial Group Co. Ltd.	1225	29 June 2016	2 for 1	(63.6)	(36.9)	N	1.5	66.7
5	Wai Yuen Tong Medicine Holdings Ltd.	897	8 July 2016	3 for 1	(48.8)	(18.9)	Y	2.5	75.0
6	Universe International Financial Holdings Ltd.	1046	12 July 2016	2 for 1	(25.0)	(10.0)	Y	3.0	66.7
7	Chinese Food and Beverage Group Ltd.	8272	19 August 2016	9 for 1	(45.8)	(7.8)	Y	2.5	90.0
8	Tai United Holdings Ltd.	718	2 September 2016	2 for 1	(4.8)	(3.2)	Y	2.0	66.7
9	Chinlink International Holdings Ltd.	997	7 September 2016	5 for 1	(76.2)	(34.4)	Y	2.0	83.3
10	Sun Century Group Ltd.	1383	20 September 2016	3 for 1	(20.0)	(6.1)	Y	3.0	75.0
11	Eminence Enterprise Ltd.	616	13 October 2016	3 for 1	(33.1)	(6.0)	Y	1.0	75.0
12	Heng Tai Consumables Group Ltd.	197	20 October 2016	1 for 1	(17.2)	(9.4)	Y	3.5	50.0
				Mean	**(37.6)**	**(15.0)**		**2.2**	
				Minimum	**(4.8)**	**(3.2)**		**1.0**	**50.0**
				Maximum	**(76.2)**	**(36.9)**		**3.5**	**90.0**
	Mason Financial Holdings Limited	**273**	**28 October 2016**	**6 for 5**	**(45.4)**	**(27.4)**	**Y**	**Fixed underwriting commission fee of HK$8.0 million (representing 0.46% of the gross proceeds to be underwritten by the Underwriter)**	**54.5**

Source: Website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Based on the figures disclosed in the initial announcement of the Rights Issue Comparables respectively

2. Maximum dilution effect of the Rights Issue Comparables is calculated as: (number of new shares to be issued under the basis of entitlement)/(number of existing shares held for the entitlement for the new shares under the basis of entitlement + number of new shares to be issued under the basis of entitlement) x 100%

As illustrated in the table set out above, the Directors note that the discount to the respective closing price per share on the respective last trading day represented by the Rights Issue Comparables ranged from a discount of approximately 4.8% to approximately 76.2%, with an average discount of approximately 37.6%. The discount of the Subscription Price to the closing price per Share on the Last Trading Day is approximately 45.4%, which, although is slightly above the corresponding average discount of the Rights Issue Comparables, falls within the range of the discounts of the Rights Issue Comparables.

In relation to the subscription prices to the theoretical ex-rights prices per share based on the closing prices on the respective last trading days prior to the release of the announcements, the Directors note that the discount to the theoretical ex-rights price per share represented by the Rights Issue Comparables ranged from a discount of approximately 3.2% to approximately 36.9%, with an average discount of approximately 15.0%. The discount of the Subscription Price of the Rights Issue to the theoretical ex-rights price per Share based on the closing price on the Last Trading Day is approximately 27.4%.

In addition, the Rights Issue entitlement ratio of six (6) Rights Shares for five (5) existing Shares was arrived at after arm's length negotiations between the Company and the Underwriter and having considered the target fund to be raised and the appropriateness of the discount of the Subscription Price to the closing prices of the Shares, the Directors note that such entitlement ratio falls within the range of the entitlement ratios of the Rights Issue Comparables from nine (9) rights shares for one (1) existing share to one (1) rights share for one (1) existing share.

Having taken account of the above and the following factors:

(i) the intended use of the proceeds from the Rights Issue is in line with the Company's business strategy and development plan;

(ii) the discount of the Subscription Price to the prevailing market price is within the discounts range of Rights Issue Comparables;

(iii) the Rights Issue is offered to all Qualifying Shareholders (Rights Issue) and enables them to maintain their proportional interests in the Company and to participate in the future growth of the Company;

(iv) the Subscription Price is set at a discount to the closing price of the Share on the Last Trading Day and to the theoretical ex-entitlement price per Share; and

(v) the inherent dilutive nature of the Rights Issue is within the range of dilutive effect of Rights Issue Comparables, is acceptable and is not prejudicial to the interests of the Independent Shareholders if they accept their entitlement fully under the Rights Issue,

although the Subscription Price represents (a) a discount of approximately 9.72% to the unaudited consolidated net tangible assets per Share of approximately HK$0.144 as at 30 June 2016 as set out in "Appendix II — Unaudited Pro Forma Financial Information of the Group", and (b) a discount of approximately 16.7% to the unaudited consolidated net asset value per Share of approximately HK$0.156 based on the unaudited consolidated net asset value attributable to equity holders of the Company and the then number of issued Shares as at 30 June 2016, the Board considers the terms of the Rights Issue, including the Subscription Price which has been set at a reasonable discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company in the future, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Status of Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions, which are declared, made or paid, the record date of which is after the date of allotment of the Rights Shares in their fully-paid form.

Procedures for acceptance and payment or transfer

PAL — Acceptance, payment and transfer

The PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) (Rights Issue) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholder(s) (Rights Issue) wish to take up the provisional allotment of Rights Shares as specified in the PAL in full, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 1 February 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Mason Financial Holdings Limited — Provisional Allotment Account**" and crossed "**Account Payee Only**". No receipts will be given for such remittances.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar not later than 4:00 p.m. on Wednesday, 1 February 2017, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders (Rights Issue) wish to accept only part of their provisional allotment and/or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 19 January 2017 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders (Rights Issue). All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder (Rights Issue) or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out under the section headed "Conditions of the Rights Issue" of this Prospectus is not fulfilled and/or waived (as applicable) at or before the time and date specified in the Underwriting Agreement, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders (Rights Issue) or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post to their respective registered addresses at their own risk by the Registrar on or before Wednesday, 8 February 2017.

EAF — Application for excess Rights Shares

Qualifying Shareholders (Rights Issue) may apply, by way of excess application, for (if any) the unsold entitlements of the Non-Qualifying Shareholders (Rights Issue) (if any) and the Rights Shares provisionally allotted but not accepted.

If a Qualifying Shareholder (Rights Issue) wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for (rounded to the nearest cent, with HK$0.005 or more rounded upwards and any other amount less than HK$0.005 being rounded downwards, if necessary) with the Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Wednesday, 1 February 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Mason Financial Holdings Limited — Excess Application Account**" and crossed "**Account Payee Only**". No receipt will be given for such remittances.

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis in proportion to the number of excess Rights Shares being applied for under each application, and on the following principles:

(a) preference will be given to topping up odd lots to whole board lots *(note)*;

(b) the allocation of any excess Rights Shares to any Qualifying Shareholders (Rights Issue) would not cause the Company to breach the public float requirements under Rule 8.08 of the Listing Rules immediately after completion of the Rights Issue; and

(c) no application for any excess Rights Shares should be made with intention to abuse the mechanism.

Note: As disclosed in the Announcement, no preference will be given to the topping up odd lots to whole board lots in the allocation of the excess Rights Shares. According to the current arrangement, after consideration by the Board as detailed in the paragraph headed "Basis of provisional allotments" above, preference will be given to topping up odd lots to whole board lots.

In the event that the Company discovers that certain applications may have been made with the intention to abuse the mechanism whereby preference would have been given to applications for topping up odd-lot holdings, the Company will change the allocation method for the excess Rights Shares on a fair and equitable basis.

Shareholders with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders (Rights Issue) will be announced by the Company on Tuesday, 7 February 2017. If no excess Rights Shares are allotted to the Qualifying Shareholders (Rights Issue), it is expected that a cheque for the amount tendered on application will be refunded in full without interest on or before Wednesday, 8 February 2017. If the number of excess Rights Shares allotted to the Qualifying Shareholders (Rights Issue) is less than that applied for, a cheque for the amount of the surplus application monies are also expected to be despatched and refunded to them without interest on or before Wednesday, 8 February 2017.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

The EAF is for use only by the Qualifying Shareholder(s) (Rights Issue) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Rights Issue Record Date.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraphs headed "Conditions of the Rights Issue" below is not fulfilled at or before the Latest Time for Termination (or such later time or date as the Company and the Underwriter may agree in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders (Rights Issue) or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders (Rights Issue) to their registered addresses by the Registrar on or before Wednesday, 8 February 2017.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or before Wednesday, 8 February 2017 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or before Wednesday, 8 February 2017 by ordinary post to the applicants, at their own risk, to their registered addresses. Applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it/them.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence at 9:00 a.m. on Thursday, 9 February 2017.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders (Rights Issue). All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders (Rights Issue) under the EAF(s).

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of Rights Shares arising from the Rights Issue, the Company will arrange odd lot matching services for the sale and purchase of odd lots of Rights Shares at the relevant market price per Rights Share, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Rights Shares to make up a full board lot, or to dispose of their holding of odd lots of the Rights Shares. Shareholders who wish to utilise the service should contact Ms. Sandra Cheung of Mason Securities Limited at (852) 2218 2818, Portion 1, 12/F, The Center, 99 Queen's Road Central, Hong Kong during the period from Thursday, 9 February 2017 to Thursday, 9 March 2017, both days inclusive.

Holders of odd lots of the Shares should note that successful matching of the sale and purchase of odd lots of the Rights Shares is not guaranteed. If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from their respective commencement dates of dealings on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Both nil-paid and fully-paid Rights Shares will be traded in board lots of 20,000. No part of the securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application for listing of or permission to deal in the Shares, the Rights Shares or any other securities of the Company is being made, or is proposed to be sought, on any other stock exchange.

THE UNDERWRITING AGREEMENT

Date:	28 October 2016 (after trading hours)
Issuer:	The Company
Underwriter:	The Underwriter
Number of Rights Shares to be underwritten:	13,273,185,492 Rights Shares (having taken into account the Irrevocable Undertakings and assuming no new Share being issued and no Share being repurchased on or before the Rights Issue Record Date)
Commission:	The Underwriter will receive a fixed underwriting commission of HK$8 million

As at the Latest Practicable Date, the Underwriter does not hold any Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter is a licensed corporation to carry out business in type 1 (dealing in securities), type 3 (leveraged foreign exchange trading) and type 4 (advising on securities) regulated activities under the SFO. Underwriting is in the ordinary and usual course of business of the Underwriter.

The terms of the Underwriting Agreement (including the underwriting commission) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Rights Issue, and the current and expected market condition.

The underwriting commission of HK$8 million to be charged by the Underwriter is a fixed fee, representing approximately 0.46% of the gross proceeds to be underwritten by the Underwriter (being approximately HK$1,726 million, which excludes the Rights Shares entitlements accepted by certain Shareholders pursuant to the Irrevocable Undertakings). The Directors note that the underwriting commission charged by the respective underwriters of the Rights Issue Comparables as mentioned above ranged from 1.0% to 3.5%, with an average of approximately 2.2% on the respective funds raised. Therefore, the Directors consider the underwriting commission charged by the Underwriter, as a percentage of the underwriting commitment, is below the average fees charged by underwriters of the Rights Issue Comparables, and thus is relatively competitive and favourable to the Company.

Having considered (i) the underwriting commission to be charged by the Underwriter is relatively competitive and favourable to the Company; and (ii) the experience and financial resources of the Underwriter for underwriting of such securities, the Directors (including the independent non-executive Directors) consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable within the range of normal commercial terms to the Company, and in the interests of the Company and the Shareholders as a whole.

The Company did not approach any other underwriters. As mentioned in the section headed "Rights Issue — Basis of determining the Subscription Price", due to the relatively low trading activity of the Shares and the stock market condition in Hong Kong, the Directors believe that it is difficult for the Company to find any other underwriter(s) to fully underwrite the Rights Issue and are of the view that the terms of the rights issue from any other underwriters are unlikely to be more favourable to the terms of the Rights Issue. Furthermore, the Company considers that the underwriting commission charged by the underwriter to be relatively competitive and favourable to the Company.

The Irrevocable Undertakings

As at the Latest Practicable Date, (i) Grace Gorgeous is interested in 3,842,524,965 Shares, representing approximately 20.84% of the existing issued share capital of the Company; (ii) Future Achiever is interested in 3,072,880,000 Shares, representing approximately 16.67% of the existing issued share capital of the Company; (iii) Mr. Ko Po Ming is interested in 261,200,000 Shares, representing approximately 1.42% of the existing issued share capital of the Company; and (iv) True Elite is interested in 199,740,000 Shares, representing approximately 1.08% of the existing issued share capital of the Company.

Pursuant to the Irrevocable Undertakings, Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite have provided irrevocable and unconditional undertakings to the Company and the Underwriter to, among other things, accept their entitlements to the provisional allotment of 4,611,029,958, 3,687,456,000, 313,440,000 and 239,688,000 Rights Shares, respectively, not to sell or transfer the Shares held by them in any manner before the completion or lapse of the Rights Issue, and remain as the registered owners of the Shares comprising their current shareholdings in the Company as at the Rights Issue Record Date.

Saved for the Irrevocable Undertaking, the Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up their respective Rights Shares under the Rights Issue.

Termination of the Underwriting Agreement

Information on the termination of the Underwriting Agreement has been set out in the section headed "Termination of the Underwriting Agreement" in this Prospectus.

Conditions of the Rights Issue and the Underwriting Agreement

The Rights Issue and the obligations of the Underwriter as specified under the Underwriting Agreement are conditional upon the following conditions being fulfilled:

(a) the Independent Shareholders passing the ordinary resolution at the GM to approve (i) the Rights Issue; and (ii) the Underwriting Agreement and the transactions contemplated thereunder;

(b) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;

(c) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;

(d) the despatch of the Prospectus Documents to the Qualifying Shareholders (Rights Issue) by no later than the Posting Date;

(e) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination;

(f) compliance by the Company with all its obligations under the relevant terms of the Underwriting Agreement having taken place by the times specified;

(g) each of Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite having duly executed the Irrevocable Undertakings and compliance by each of Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite with their obligations under the Irrevocable Undertakings by the time specified;

(h) (i) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn; and (ii) no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason; and

(i) no material breach of any of the representations, warranties or undertakings of the Company provided under the Underwriting Agreement having come to the knowledge of the Underwriter by the Latest Time for Termination.

The conditions precedent set out in paragraphs (a) to (e), (g) and (h) above are incapable of being waived by the Underwriter and the Company.

As at the Latest Practicable Date, the condition (a) above has been fulfilled. If the other conditions precedent set out in above paragraphs are not satisfied in whole or in part at the respective time and dates specified therein (or such other time as the Underwriter may agree with the Company (as permitted under the relevant legal and regulatory requirements)), the Underwriting Agreement shall terminate (save in respect of the provisions in relation to fees and expenses, indemnity, notices and governing law and any rights or obligations which have accrued under the Underwriting Agreement prior to such termination) and no party will have any claim against any other party for costs, damages, compensation or otherwise, and the Rights Issue will not proceed. The Irrevocable Undertakings shall lapse upon the termination of the Underwriting Agreement.

PROPOSED BONUS ISSUE OF SHARES

As disclosed in the Announcement, the Board recommends a Bonus Issue to the Qualifying Shareholders (Bonus Issue) on the basis of one (1) Bonus Share for every ten (10) Shares held by the Qualifying Shareholders (Bonus Issue) whose names appear on the register of members of the Company on the Bonus Issue Record Date. Certain details of the Bonus Issue are set out below:

Basis of Bonus Issue

Subject to the conditions set out under the section headed "Conditions of the Bonus Issue" below having been fulfilled, including the completion of the Rights Issue, the Bonus Shares will be issued and credited as fully paid on the basis of one (1) Bonus Share for every ten (10) Shares held by the Qualifying Shareholders (Bonus Issue) whose names appear on the register of members of the Company on the Bonus Issue Record Date. On the basis of 40,562,132,325 Shares will be in issue upon the completion of the Rights Issue, and assuming no further Shares will be issued or repurchased before the Bonus Issue Record Date, it is anticipated that 4,056,213,232 Bonus Shares will be allotted and issued under the Bonus Issue. After the completion of the Bonus Issue, there will be a total of 44,618,345,557 Shares in issue as enlarged by the allotment and issue of the Bonus Shares.

Status of Bonus Shares

The Bonus Shares, upon allotment and issue as fully paid shares, will rank *pari passu* in all respects with the Shares then in issue, including the entitlement to receive all future dividends and distributions, which are declared, made or paid, the record date of which is after the date of allotment of the Bonus Shares.

Fractional entitlements

The Company will not issue any fractions of the Bonus Shares. All fractions of the Bonus Shares (if any) will be aggregated and sold by the Company in the market, and if a premium (net of expenses) can be obtained, the Company will retain the proceeds from such sale(s) for its benefit.

Conditions of the Bonus Issue

The completion of the Bonus Issue is conditional upon:

(i) the completion of the Rights Issue;

(ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Bonus Shares; and

(iii) compliance with the relevant legal procedures and requirements (if any) under the applicable laws of Hong Kong and articles of association of the Company to effect the Bonus Issue.

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Bonus Shares to be issued and allotted pursuant to the Bonus Issue. Apart from making listing application to the Listing Committee of the Stock Exchange, the Board does not propose to make application to any other stock exchanges for the listing of and permission to deal in, the Bonus Shares. No new class of securities is to be listed pursuant to the Bonus Issue and that all necessary arrangements will be made to enable the Bonus Shares to be admitted into the CCASS established and operated by HKSCC. If any of the conditions of the Bonus Issue set out above is not satisfied, the Bonus Issue will not proceed.

Certificates for the Bonus Shares

It is expected that certificates for the Bonus Shares will be posted on Friday, 24 February 2017, after all the conditions having been fulfilled, at the risk of the Shareholders entitled thereto to their respective addresses shown on the register of members of the Company on the Bonus Issue Record Date. Dealings in the Bonus Shares are expected to commence on Monday, 27 February 2017.

EFFECTS OF THE RIGHTS ISSUE AND THE BONUS ISSUE

(A) The dilution effects of the Rights Issue and the Bonus Issue on the shareholding interest of the existing public Shareholders as at the Latest Practicable Date are set out below:

	Number of Issued Shares	Public shareholding of the Company	
		Number of shares	*Approximate %*
Immediately prior to completion of the Rights Issue	18,437,332,875	11,060,987,910	59.99
Immediately after completion of the Rights Issue assuming no Qualifying Shareholders (Rights Issue) has taken up the Rights Shares (except Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite under the Irrevocable Undertakings)	40,562,132,325	11,060,987,910	27.27 *(Note 2)*
Immediately after completion of the Bonus Issue *(Note 1)*	44,618,345,557	12,167,086,701	27.27 *(Note 2)*

Notes:

(1) On the basis of 40,562,132,325 Shares will be in issue upon the completion of the Rights Issue, and assuming no further Shares will be issued or repurchased before the Bonus Issue Record Date.

(2) Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders (Rights Issue) has taken up the Rights Shares (except Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite under the Irrevocable Undertakings)), the existing public shareholding decreased to approximately 27.27% of the issued share capital of the Company from approximately 59.99%. Following the completion of the Bonus Issue, the existing public shareholding remains at approximately 27.27% as the Bonus Shares will be allotted to the Qualifying Shareholders (Bonus Issue) in proportion to their shareholdings.

(B) The dilution effects of the Rights Issue and the Bonus Issue on the Share price and net tangible assets per Share are set out below:

The dilution effects of the Rights Issue and Bonus Issue on the Share price:

	On the Last Trading Day
Assuming the Qualifying Shareholders (Rights Issue) do not take up the Rights Shares to which they are entitled	
Closing price of the Shares	HK$0.238
The theoretical ex-rights price	HK$0.179
Discount of the theoretical ex-rights price to the closing price of the Shares	24.8%

Since there is no price for the Bonus Shares to be issued under Bonus Issue, there is no theoretical price per Share after the Bonus Issue.

As set out in "Appendix II — Unaudited Pro Forma Financial Information of the Group" in this Prospectus, the dilution effects of the Rights Issue and Bonus Issue on the net tangible assets per Share is set out below:

	Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016	**Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue**	**Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue and the Bonus Issue**
	HK$	*HK$*	*HK$*
	(Note i)	*(Note ii)*	*(Note iii)*
Rights Issue of 18,437,343,450 Rights Shares and Bonus Issue of 3,380,179,632 Bonus Shares	0.144	0.135	0.123

Notes:

(i) The unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016 is HK$0.144, which is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016 of HK$2,211,035,000 and 15,364,452,875 Shares of the Company in issue as at 30 June 2016.

(ii) The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue of HK$0.135 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue of HK$4,571,890,000 and 33,801,796,325 Shares, which represents 15,364,452,875 Shares of the Company in issue as at 30 June 2016 and 18,437,343,450 Rights Shares to be issued, pursuant to the Rights Issue (on the basis of six (6) Rights Shares for every five (5) Shares held as at the Rights Issue Record Date), are in issue assuming that the Rights Issue had been completed on 30 June 2016, but does not take into account any Shares which would have been issued upon the issue of 3,072,880,000 Shares by the Company under the general mandate which was completed on 5 October 2016 (the "**Share Subscription**") or any Shares which may be granted and issued or buy-back by the Company pursuant to the general mandate and the buy-back mandate, if any.

(iii) The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Bonus Issue of HK$0.123 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue and the Bonus Issue of HK$4,571,890,000 and 37,181,975,957 Shares, which represents (1) 15,364,452,875 Shares of the Company in issue as at 30 June 2016; (2) 18,437,343,450 Rights Shares to be issued, pursuant to the Rights Issue (on the basis of six (6) Rights Shares for every five (5) Shares held as at the Rights

Issue Record Date); and (3) 3,380,179,632 Bonus Shares to be issued, pursuant to the Bonus Issue (on the basis of one (1) Bonus Shares for every ten (10) Shares held as at the Bonus Issue Record Date), are in issue assuming that the Rights Issue and the Bonus Issue had been completed on 30 June 2016, but does not take into account any Shares which would have been issued upon the Share Subscription or any Shares which may be granted and issued or buy-back by the Company pursuant to the general mandate and the buy-back mandate, if any.

(iv) The unaudited pro forma statement of adjusted consolidated net tangible assets does not take into account the Share Subscription.

Had the Share Subscription been completed on 30 June 2016, the consolidated net tangible assets of the Group attributable to equity holders of the Company would increase from approximately HK$2,211,035,000 to approximately HK$2,936,526,000 after adjusting for 3,072,880,000 Shares issued at HK$0.24 per Share (net of the related expenses of approximately HK$12,000,000). The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company after completion of the Rights Issue would be approximately HK$5,776,750,000 after adjusting for estimated proceeds of approximately HK$2,840,224,000, which is calculated based on 22,124,799,450 Rights Shares to be issued (on the basis of six (6) Rights Shares for every five (5) Shares held as at the Rights Issue Record Date) at the Subscription Price of HK$0.13 per Rights Share, after deduction of the estimated related expenses of approximately HK$36,000,000. Consequently, the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company would be HK$0.142 assuming the Rights Issue had been completed on 30 June 2016.

Had the Share Subscription been completed on 30 June 2016, the number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue and the Bonus Issue would be based on 44,618,345,557 Shares, which represents the sum of 40,562,132,325 Shares in issue as at the Bonus Issue Record Date given that there has been no further issue of new Shares or repurchase of Shares from the date of the completion of the Rights Issue to the Bonus Issue Record Date and 4,056,213,232 Bonus Shares expected to be issued on the completion of the Bonus Issue.

Consequently, the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company would be HK$0.129 assuming the Rights Issue and the Bonus Issue had been completed on 30 June 2016.

For further details, please refer to "Appendix II — Unaudited Pro Forma Financial Information of the Group" in this Prospectus.

Potential dilution impact on the Shareholders as a result of the Rights Issue

Those Qualifying Shareholders (Rights Issue) who do not take up in full the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted. If none of the Qualifying Shareholders (Rights Issue) takes up any Rights Shares to which they are entitled (except Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite under the Irrevocable Undertakings) and the Underwriter takes up all the Rights Shares to be underwritten, i.e. 13,273,185,492 Rights Shares, the percentage of shareholding of the existing public Shareholders will be reduced from 59.99% to approximately 27.27% as a result of the Rights Issue.

Despite the dilution effects on those Shareholders who do not participate in the Rights Issue, having taken into account (i) the reasons for the Rights Issue, which are to raise funds for the expansion of its existing financial services business (including but not limited to margin financing services and lending business, which are capital driven), asset management and wealth management and direct investment; (ii) all Qualifying Shareholders (Rights Issue) have been offered the same opportunity to maintain their proportionate interests in the Company; (iii) the inherent dilutive nature of rights issue in general if the existing Shareholder did not take up his/her/its entitlements thereunder; and (iv) the discount of the Subscription Price to prevailing market price of the Shares was necessary to encourage the Qualifying Shareholders (Rights Issue) to participate in the Rights Issue, the Board considers the possible dilution effect to be acceptable.

Assuming these Qualifying Shareholders (Rights Issue) also do not sell their nil-paid rights, the value of their respective shareholding (which is calculated by multiplying the number of Shares held by such Qualifying Shareholders (Rights Issue) by the price of the Shares) may suffer theoretical diminution by approximately 24.8%, which is calculated by reference to the difference between (i) the closing price of HK$0.238 per Share as quoted on the Stock Exchange on the Last Trading Day (the "**Closing Price**") and (ii) the theoretical ex-rights price of the Shares of approximately HK$0.179 derived from the Closing Price.

The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue will be changed to HK$0.135, representing 6.25% discount from HK$0.144, which is the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016.

(C) The effects of change in number of Shares held by the Shareholders as a result of the Rights Issue and the Bonus Issue, illustrated by one board lot of Shares as set out below:

Scenario (1)	**Number of Shares**
Assuming the Qualifying Shareholder (Rights Issue) does not take up the Rights Shares	
Number of Shares per board lot	20,000
Number of Shares held by the Shareholder immediately after completion of the Rights Issue	20,000
Number of Shares held by the Shareholder immediately after completion of the Bonus Issue	22,000
Scenario (2)	
Assuming the Qualifying Shareholder (Rights Issue) takes up all the Rights Shares	
Number of Shares per board lot	20,000
Number of Shares held by the Shareholder immediately after completion of the Rights Issue	44,000
(i) Assuming no application for excess Rights Shares	
Number of Shares held by the Shareholder immediately after completion of the Bonus Issue	48,400

(ii) Assuming application is made for excess Rights Shares

Number of excess Rights Shares successfully applied for in order to make up a board lot after the Bonus Issue	10,546
Total number of Shares held by the Shareholder after completion of the Rights Issue	54,546
Number of Shares held by the Shareholder immediately after completion of the Bonus Issue (assuming no acquisition or disposal of Shares by the Shareholder during the period from the completion of the Rights Issue to the despatch of Bonus Shares)	60,000

(iii) Assuming application is made for excess Rights Shares

Number of excess Rights Shares successfully applied for in order to make up a board lot after the Rights Issue	16,000
Total number of Shares held by the Shareholder immediately after completion of the Rights Issue	60,000
Number of Shares held by the Shareholder immediately after completion of the Bonus Issue (assuming no acquisition or disposal of Shares by the Shareholder during the period from the completion of the Rights Issue to the despatch of Bonus Shares)	66,000

The above illustration is for information and reference purposes only.

Although there will be dilution impact to non-participating Qualifying Shareholders (Rights Issue) after the Rights Issue and the public shareholding will be decreased from 59.99% to 27.27% if no Qualifying Shareholders (Rights Issue) take up the Rights Shares to which they are entitled, the Directors have taken into account the following factors:

(i) the use of proceeds from the Rights Issue is consistent with the Company's business strategies as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds";

(ii) the discount of the Subscription Price to the prevailing market price is within the discounts range of recent rights issues in Hong Kong;

(iii) the Rights Issue is offered to all Qualifying Shareholders (Rights Issue) and enables them to maintain their proportional Interests in the Company and to participate in the future growth of the Company;

(iv) the Subscription Price is set at a discount to the closing price of the Share on the Last Trading Day and to the theoretical ex-rights price per Share;

(v) the Rights Issue as a fundraising option is fair and reasonable when compared to other financing alternatives as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds — Other fund raising alternatives considered by the Group and the reasons for choosing the Rights Issue as funding method";

(vi) the underwriting commission payable to the Underwriter for underwriting of the Rights Issue is relatively competitive and favourable to the Company; and

(vii) the inherent dilutive nature of the Rights Issue is within the range of dilutive effect of recent comparables rights issue transactions, is acceptable and is not prejudicial to the interests of the Independent Shareholders if they accept their entitlement fully under the Rights Issue,

and consider the terms of the Rights Issue, are on normal commercial terms and are fair and reasonable so far as the Company and the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

CHANGES IN SHAREHOLDING STRUCTURE

As at the Latest Practicable Date, the Company has 18,437,332,875 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue, assuming no further issue of new Shares or repurchase of Shares up to completion of the Rights Issue; and (iii) immediately after completion of the Rights Issue and the Bonus Issue, assuming no further issue of new Shares or repurchase of Share up to completion of the Bonus Issue save for the Rights Shares:

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue: Assuming all Qualifying Shareholders (Rights Issue) have taken up all the Rights Shares		Immediately after completion of the Rights Issue: Assuming no Qualifying Shareholders (Rights Issue) has taken up the Rights Shares (except Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite under the Irrevocable Undertakings) *(Note 2)*		Immediately after completion of the Rights Issue and the Bonus Issue: Assuming all Qualifying Shareholders (Rights Issue) have taken up all the Rights Shares *(Note 5)*		Immediately after completion of the Rights Issue and the Bonus Issue: Assuming no Qualifying (Rights Issue) has taken up the Rights Share (except Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite under the Irrevocable Undertakings) *(Note 5)*	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*	*Number of Shares*	*Approximate %*
Grace Gorgeous *(Notes 1 and 2)*	3,842,524,965	20.84	8,453,554,923	20.84	8,453,554,923	20.84	9,298,910,415	20.84	9,298,910,415	20.84
Future Achiever *(Note 2)*	3,072,880,000	16.67	6,760,336,000	16.67	6,760,336,000	16.67	7,436,369,600	16.67	7,436,369,600	16.67
Mr. Ko Po Ming *(Notes 2 and 3)*	261,200,000	1.42	574,640,000	1.42	574,640,000	1.42	632,104,000	1.42	632,104,000	1.42
True Elite *(Notes 2, 3 and 4)*	199,740,000	1.08	439,428,000	1.08	439,428,000	1.08	483,370,800	1.08	483,370,800	1.08
Public										
The Underwriter *(Note 7)*	—	—	—	—	13,273,185,492	32.72	—	—	14,600,504,041	32.72
Other public Shareholders	11,060,987,910	59.99	24,334,173,402	59.99	11,060,987,910	27.27	26,767,590,742	59.99	12,167,086,701	27.27
Total *(Note 6)*	**18,437,332,875**	**100.0**	**40,562,132,325**	**100.0**	**40,562,132,325**	**100.0**	**44,618,345,557**	**100.0**	**44,618,345,557**	**100.0**

Notes:

(1) Grace Gorgeous is owned as to 40% by First Elite Ventures Limited, which is wholly-owned by Mr. Tong Tang, Joseph, who is a non-executive Director and the Joint Chairman of the Company. Accordingly, First Elite Ventures Limited and Mr. Tong Tang, Joseph are deemed to be interested in the Shares owned by Grace Gorgeous for the purpose of Part XV of the SFO.

(2) Pursuant to the Irrevocable Undertakings, Grace Gorgeous, Future Achiever, Mr. Ko Po Ming and True Elite have provided irrevocable and unconditional undertakings to the Company and the Underwriter to, among other things, accept their entitlements to the provisional allotment of 4,611,029,958, 3,687,456,000, 313,440,000 and 239,688,000 Rights Shares, respectively, not to sell or transfer the Shares held by them in any manner before the completion or lapse of the Rights Issue, and remain as the registered owners of the Shares comprising their current shareholdings in the Company as at the Rights Issue Record Date.

(3) Mr. Ko Po Ming and Mr. Chang Tat Joel are executive Directors.

(4) These Shares are held by True Elite, a company wholly-owned by Mr. Chang Tat Joel.

(5) On the basis of 40,562,132,325 Shares will be in issue upon the completion of the Rights Issue (assuming all Shareholders have taken up all the Rights Shares), and assuming no further Shares will be issued or repurchased before the Bonus Issue Record Date.

(6) The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

(7) Pursuant to the Underwriting Agreement, in the event that the Underwriter or any of the sub-underwriter is required to take up the Rights Shares pursuant to their underwriting/sub-underwriting obligations:

(a) the Underwriter shall use its reasonable endeavours to procure that each of the subscribers procured by them (including any direct and indirect sub-underwriters) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with (within the meaning under the Listing Rules), the Directors, chief executive or Substantial Shareholders of the Company or any of its subsidiaries and their respective associates;

(b) the Underwriter will procure each of the subscribers (including any direct and indirect sub-underwriters) and their respective associates will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 10% or more of the voting rights of the Company immediately upon completion of the Rights Issue;

(c) the Underwriter will not, and will procure each of the subscribers (including any direct and indirect sub-underwriters) will not, together with any party acting in concert (within the meaning of the Takeovers Code) with it or its associates, hold 30% or more of the voting rights of the Company immediately upon completion of the Rights Issue;

(d) the Underwriter shall use its reasonable endeavours to procure that each of the direct and indirect sub-underwriters, shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with (within the meaning under the Listing Rules), the Directors, chief executive or Substantial Shareholders of the Company or any of its subsidiaries and their respective associates; and

(e) the Underwriter has confirmed to the Company that sub-underwriting agreements were entered into among the Underwriter and five sub-underwriters, being securities firms and/or professional investors, on 28 October 2016, pursuant to which the Underwriter has sub-underwritten to the sub-underwriters a maximum aggregate of 13,273,185,492 Rights Shares, representing the entire amount of the Underwritten Shares. The Underwriter has confirmed to the Company that it has sub-underwritten its underwriting obligations under the Underwriting Agreement to sub-underwriters such that (i) each of the sub-underwriters and the subscribers procured and nominated by them in such application forms in respect of the Underwritten Shares that have not been taken up by the Latest Time for Acceptance, shall be, independent of, not acting in concert with the Underwriter, the Company and their respective directors and shall not be connected with the Directors, chief executive or substantial shareholders of the Company or any of its subsidiaries and their respective associates and are not a connected person; (ii) each of the sub-underwriters will not, and will procure each of the subscribers procured and nominated by them in such application forms in respect of any or all of the Underwritten Shares that have not been taken up by the Latest Time for Acceptance and their respective associates will not, together with any party acting in concert with it or its associates, hold in aggregate 10% or more of the voting rights of the Company upon completion of the Rights Issue; and (iii) each of the sub-underwriters will not, and will procure each of the subscribers procured and nominated by them in such application forms in respect of any or all of the Underwritten Shares that have not been taken up by the Latest Time for Acceptance and their respective associates will not, together with any party acting in concert with it or its associates, hold in aggregate 30% or more of the voting rights of the Company upon completion of the Rights Issue.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group principally provides comprehensive financial services in Hong Kong, including the provision of dealing in securities, commodities brokering, bullion trading, securities margin financing, investment and corporate finance advisory services, securities trading, money lending, investment holding and direct investment.

Capitalising on its existing financial services platform, the Group intends to embark on a growth strategy to broaden the width of its current platform.

The Directors consider that it is extremely important for the Company to have a strong capital base for developing competitive securities, lending and wealth management businesses. A large and strong capital base will also enable the Company to recruit capable talents in this highly competitive financial market. The Rights Issue, which is subject to Independent Shareholders' approval, enables the Company to have a stronger and larger capital base.

The Vision of the Group

The Group's vision is to become a leading global financial conglomerate with global asset allocation capabilities, covering investment opportunities and distribution channels in Greater China, Japan, U.S., Europe, Asia Pacific and Middle East. The Group plans to cooperate with leading global asset management companies, private banks and insurance companies to develop financial products and channels for the clients to access the global markets, making the Group a "one-stop service provider for the global financial market".

The Group expects to create synergies through its extensive network of financial institutions and their high net worth client base in the Greater China.

Sustainable Growth Through Two-Pronged "Finance + Industry" Strategy

The Group plans to leverage on its extensive capital market and investment management experiences to execute an expansion strategy in both the financial & industrial sectors.

For the financial sector, the Group will further expand its existing financial services platform through strategic cooperation with different financial institution to create an integrated platform with the full spectrum of products and services as well as strong product development and distribution capability.

For the industrial sector, the Group will focus on the healthcare, life sciences and the "mother-infant-children" related industries.

Through this "Finance + Industry" strategy, the Group can develop its financial services business and core industries while aligning the interests of all parties to create synergies.

The Board believes that, with the cross-industry and diversified financial services platform, the Group will be in a unique position to capture growth opportunities and profitability in both the financial and industrial sectors, and will establish an eco-system to achieve a dual driver and two-pronged operation.

In implementing its business strategies, the Group focuses on prudently operating its business and believes that effective risk management and internal control are essential to sustainable growth in an ever-changing market environment.

The Group has established risk management processes and procedures that integrates human resources, systems and policies to identify, monitor, evaluate and manage various risks that the Group is exposed to in its business activities. The Group has set up a multi-level risk limit management system. An authorisation matrix has been set up to control and ensure that financial resources are allocated properly.

Risk control — Financial services

Various committees have been established in different business units for assessing the engagement of the business, and monitoring of the business progress. The Group has also established policies and procedures to prevent money laundering and terrorist financing, and has implemented Chinese walls to prevent conflicts of interest by controlling the flow of non-public information. The Group has also implemented an internal control system to enhance its compliance management capabilities.

Risk control — Strategic financial investment and direct investment

The Group's investment activities are supervised by the investment committee (the "**Investment Committee**") of the Group, which comprised the Chief Executive Officer, Chief Operating Officer and Chief Investment Officer. The Group's Chief Financial Officer and Chief Legal & Compliance Officer will also attend the meetings of the Investment Committee. The Investment Committee is responsible for: (i) making decisions on investment, project restructuring, and divestment proposals for the Board's consideration and approval; and (ii) overseeing the portfolio of strategic and direct investments during monthly portfolio review meetings and quarterly management meetings.

Each strategic investment, restructuring and divestment project undergoes the below approval process:

1. Concept paper: After an extensive preliminary review and agreement on an investment framework, the deal team will submit a concept paper to the Investment Committee. The Investment Committee will consider the investment thesis, potential synergies on strategic investment opportunities, investment merits, risks and constraints, and investment framework to decide whether it is worthwhile to proceed and the scope of the full due diligence.

2. Investment proposal: Each investment will undergo a thorough due diligence on the business strategy, market positioning, sustainability of competitive advantages, quality of the management team, corporate governance, legal and regulatory compliance, tax and risk factors. Synergies and value added are also key consideration factors. The Group usually engages external advisors on the due diligence in respect of the financial and tax review, regulatory compliance, litigation

and disputes. The Investment Committee will consider the investment thesis, potential synergies on strategic investment opportunities, investment merits, risks and constraints, and risk-reward profile.

3. Board approval: When the Investment Committee approves an investment project, the relevant investment proposal is submitted for approval by the Board.

For the invested projects, the Group operates and manages its investee companies in accordance with the following policies:

1. For the strategic and direct investments which are integrated into the Group's financial services business, the investee companies will be operated and managed by the Group as a business unit. The Group will normally hold controlling stake or significant influence, have board control (in the case of controlling stake) and take on an active role in financial management. Such investments refer to investments which are synergistic and complementary to our core financial services business.

2. For the strategic and direct financial investment not integrated into the Group, the Group assigns representative(s) to be active board participants and pro-actively assist the investee companies in business growth and financial management.

Business Update

In pursuance of its growth strategy, the Group will continue to expand its existing financial services business, i.e. securities brokerage, securities margin financing, leverage and acquisition financing and money lending, and also plans to further develop its business into the provision of asset and wealth management to compliment the securities and fund management business, and direct investment business.

(i) Financial services and lending business, including but not limited to securities brokerage, securities margin financing, money lending and mortgage loan business

Financial Services Business

With an average Hong Kong market turnover of HK$66 billion per day from 1 January 2016 to 31 October 2016, it is expected that, after the launch of Shenzhen-Hong Kong Stock Connect, there will be more capital flows between Hong Kong and the PRC, especially on southbound fund flows from Chinese insurance companies. To meet the challenging market conditions and customers demand, the Group has engaged new execution brokers for our retail clients and professional investors for dealing in listed securities in U.S. and European markets and has commenced the upgrading of its equity and futures trading system.

In October 2016, the Company injected a total of HK$200 million into Mason Securities Limited for the provision of margin financing facilities to its clients, HK$140 million of which was raised from the subscription of new Shares under the general mandate which was completed on 5 October 2016. To meet the demand of the Group's clients on margin financing facilities and acquisition loans, which are capital-driven business, the Company requires capital to expand the margin financing and lending business.

The Directors believe that, though, as stated in our interim report for the six (6) months ended 30 June 2016, trading activities quietened down during the six (6) months ended 30 June 2016 and the remaining months of 2016 will be equally challenging, the Company could become more competitive in the securities market if it is equipped with a larger capital base and higher ability to provide margin financing. Therefore, the Directors are of the view that the proposed expansion of the financial securities services including securities margin financing would be in the interest of the Shareholders.

Lending Business

Money lending

The Group plans to increase the capital base of Mason Resources Finance Limited (an indirect wholly-owned subsidiary of the Company and holder of a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)) to develop its money lending business.

As disclosed in the announcements of the Company dated 27 October 2016, 4 November 2016 and 30 December 2016 respectively, the Company, through its indirect wholly-owned subsidiary, Mason Resources Finance Limited, entered into three (3) facility agreements to provide facilities in an aggregate amount of approximately HK$694 million to the borrowers.

Mortgage loan

The Group has identified opportunities to develop and expand the scope of its lending business through participation of the provision of mortgage loans in Hong Kong. Mortgage loans in Hong Kong are characterized by low delinquencies and default ratios. According to a residential mortgage survey conducted by The Hong Kong Monetary Authority ("**HKMA**"), the mortgage delinquency ratio for residential mortgage loans was only 0.04% for the month of September 2016. According to the statistics published on the website of HKMA, the new loans approved in 2015 amounted to HK$284,951 million, representing a slight increase of approximately 2.1% as compared to HK$278,981 million in 2014. The new loans approved in the first eight (8) months of 2016 amounted to HK$161,285 million, representing a decrease of approximately 25% as compared to HK$215,583 million in the comparative eight (8) months period in 2015. Although the amount of the mortgage loans decreased in 2016 compared to 2015, the Directors consider the mortgage loan market is still very big and has great potential, given the current market size and the expected business flow of the mortgage loans market in Hong Kong.

As disclosed in the announcement of the Company dated 7 October 2016, the Company, through its indirect non-wholly owned subsidiary (a company established to conduct the lending and financing services business of the Group), has acquired an interest in Hong Kong Mortgage Solutions Limited ("**HKMS**"). HKMS, together with a management company ("**Mortgage Management Company**") and other partners which are all Independent Third Parties, is engaged in the origination of mortgage loans and securitization business in Hong Kong. HKMS is principally engaged in the provision of first legal-charge mortgage loans on residential properties in Hong Kong, targeting customers who will use these properties for owner-occupied purpose. The size of its loan portfolio has been expanding steadily and amounted to approximately HK$75 million as at 30 November 2016. The Mortgage Management Company provides portfolio management services for the mortgage loan business of HKMS, and other services relating to set-up, accounting and administration. The direct investment in HKMS enables the Group to participate in the mortgage loan and securitization business in Hong Kong. This will serve as a platform for the future expansion in the scope of its lending and financing businesses.

The Mortgage Management Company possesses a strong management team with extensive experience in property mortgage financing. The chief executive officer of The Mortgage Management Company has about 20 years of experience in mortgage loans and securitization business, and was the former senior vice president of the Hong Kong Mortgage Corporation Limited. The chief operating officer of The Mortgage Management Company has more than 20 years of experience in the banking and finance industry, and was formerly the head of the compliance department of the Hong Kong branch of a foreign bank for six (6) years.

The Group's investment in HKMS, a company engaged in the provision of mortgage loan and securitization business, is carried out under suitable risk control environment. As at the Latest Practicable Date, the Group has invested HK$38 million in the mortgage loans and securitisation business of the Group, of which HK$26.6 million was paid by the Company which is indirectly interested in 70% of the issued share capital of the relevant company, and the Company intends to invest an additional HK$48.4 million in the said business which have and will be funded from the proceeds of the subscription of new Shares as disclosed in the announcement of the Company dated 22 September 2016 and completed on 5 October 2016.

(ii) Asset Management and wealth management

As per the market research report prepared by PricewaterhouseCoopers ("**PwC**"), which was based on the survey jointly conducted by the Private Wealth Management Association and PwC in July 2016, Hong Kong is the fifth largest offshore wealth center globally and also ranked as the second billionaire city behind New York according to Wealth-X Billionaire Census 2015–2016, with high net worth individual wealth being projected to grow by 23.5% to reach US$1.4 trillion in 2016, according to the Private Banker International Report.

According to the Fund Management Activities Survey 2015 published by SFC in July 2016, Hong Kong's combined fund management business increased by 10.5% from approximately HK$16.0 trillion in 2013 to approximately HK$17.7 trillion in 2014, and remained at approximately HK$17.4 trillion in 2015. Under China's 12th 5-year plan and 13th 5-year plan it has stated that Mainland will support Hong Kong as a fund management center, and 7 Hong Kong funds were approved for public offering in the PRC under the Mainland — Hong Kong Mutual Recognition of Funds ("**MRF**") scheme as at the Latest Practicable Date.

Based on the above market surveys, the Directors believe there is great potential in the asset management and wealth management business.

In June 2016, the Group (upon receipt of approval from SFC) acquired Enerchine Investment Management Limited which conducts asset management and wealth management businesses. A team of experienced professional for the asset management and wealth management businesses, has been hired to advise the Group's senior management in implementing the business strategy and to set up the infrastructure and team. Being an integral part of the Group's overall strategy, the team has been working closely with the internal compliance team and external legal counsels as well as operational and control departments to set up the necessary infrastructure and systems and flows. In addition, the Group is currently in the discussion with other financial institutions to source a wide range of mutual funds and other investment products for our clients. Moreover, the Group plans to set up different forms of private equity funds for our clients. The private equity funds will initially focus on the theme of investing in asset-backed fixed income products and target at high net worth individual and companies which qualify as professional investors under the SFO. The Company will act as fund manager of the private equity funds and may also invest in some of the funds.

In addition to organic growth, the Group is also considering to accelerate the development by way of mergers and acquisitions. At present, the Group is exploring several investment opportunities relating to companies engaging in asset management and/or wealth management.

(iii) Direct investment

The Group's direct investments activities will complement the Group's core financial services businesses. The direct investments activities will initially focus on strategic investments in financial services, healthcare, and mother-infant-children consumer sectors. The Directors believe these sectors are complementary and offer significant opportunities for crossover synergies and enhance the overall value of the Group.

To this end, the Group will from time to time engage in strategic investment into companies in the fast growing financial sector and other business areas with growth potentials including but not limited to exploratory discussions in relation to strategic investment into companies in the fast growing financial sector and other business areas with growth potentials. In particular, the Group focuses on financial services institutions with proven track records which can help the Group to develop distribution channels in fund management, asset management and wealth management services for its clients.

The Company believes that financial services, healthcare, and mother-infant-children industry share common customers. These sectors are both synergistic and complementary, with significant opportunities for cross-sale.

The Company prefers to seek acquisitions targets with brand value, professional management with proven history of success, having conservative financial management policy, and with positive outlook.

In addition to financial services, the Directors believe in synergistic and complementary direct investment opportunities in (1) the healthcare sector in Greater China and Southeast Asia will continue to benefit from the rising personal income in the region; and (2) the mother-infant-children consumer segment in Greater China will benefit from the implementation of the two-child policy in China. In particular, the Group will target companies with quality management, proven and sustainable business model, strong cashflow and margins, healthy growth, and clean balance sheets.

China's rapid socio-economic growth and accelerated urbanization has led to an increase in disposable income per Chinese household. The implementation of the "two-child" policy further stimulates the mother-infant industry as the number of newborns in China is expected to increase exponentially over the next five years. With the "two-child" policy in full-force in 2016, it is expected that it will have a positive effect on the birth rate in the PRC. For referencing, just 2014 alone, the number of new borns in the PRC reached 16.9 million.

China's overall healthcare industry is expected to demonstrate continuous growth amid the rise of disposable income and population boom in China. In particular, the assisted reproduction sector and the genetic diagnostics sector have presented the substantial growth potentials. According to the Report of China's Genetic Diagnosis Market Study by China Insights Consultancy, Mainland China's genetic diagnostics market is expected to reach RMB14.6 billion by 2019, with a compound annual growth rate of 42.1% between 2014 and 2019 driven mainly by growth in the Non-invasive Prenatal Testing ("**NIPT**"), Preimplantation Genetic Diagnosis ("**PGD**"), and cancer diagnosis segments. The PGD market alone is expected to see a 28.4% compound annual growth rate from 2014 to 2019. Market penetration rate of PGD in China is low at the moment due to its high pricing, but as PGD technology continues to improve and testing costs continue to decrease, the price of NIPT is expected to decline and spark more demands over the next five years.

The Group is also exploring opportunities in general practitioners clinic chains, pediatrics and gynecology specialty operations, and life science opportunities such as molecular diagnostics and precision medicine businesses.

Depending on the size of investment and nature of business, the Group operates and manages its investee companies in accordance with the following policies:

1. For the strategic and direct investments which are integrated into the Group's financial services business, the investee companies will be operated and managed by the Group as a business unit. The Group will normally hold controlling stake or significant influence, have board control (in the case of controlling stake) and take on an active role in financial management.

2. For the strategic and direct financial investment not integrated into the Group, the Group assigns representative(s) to be active board participants and pro-actively assist the investee companies in business growth and financial management.

Expertise and experience

The Group's direct investment division is led by the Group's Chief Operating Officer Mr. Joel Chang, and the Group's Chief Investment Officer Mr. John Lin.

Mr. Chang has over 25 years of financial, private equity and advisory experience. He is a co-founder of AID Partners Capital Limited and the founder of Genius Link Assets Management Limited, both private equity investment companies. He is an investment committee member of AID Partners Capital Limited, and is responsible for its strategic investment planning Prior to founding AID Partners Capital Limited, he was the chief investment officer of Investec Asia Limited, a managing director of China Everbright Capital Limited and an executive director of BNP Prime Peregrine Capital Limited. Mr. Chang founded various private equity investment funds and has led investments of over US$100 million in the past decades and one of the investments was awarded by Private Equity International as the best mid-size investment exit in 2010.

Mr. Lin has over 25 years of private equity experience. He was previously President & CEO of C.V. Starr Investment Advisors (Asia) Ltd. ("**Starr Investments Asia**"), the investment arm of C.V. Starr Group of Companies ("**Starr**") from 2008 through 2012. Starr Investments Asia manages Starr's own direct investment projects in Asia and a portfolio of Asia-focused private equity funds. While at Starr Investments Asia, he led a number of successful investments in healthcare and pharmaceuticals by taking significant minority positions of up to 40%, such as Concord Medical Services Holdings Ltd. (CCM: NYSE), the largest network of radiotherapy and diagnostic imaging centers and hospitals in China; a leading biopharmaceutical company in China; and a medical equipment maker specializing in oncology diagnostic and radiotherapy treatment equipment. From 1988 through 2007, he was at AIG Global Investment Corp., the former investment arm of the American International Group Inc. ("**AIG**"). Mr. Lin spearheaded AIG's multi-billion third party private equity business in Asia in 1994. From 1994 through 2007, he was a co-head and an investment committee member of all AIG's in-house direct investment portfolios in Asia, including those of American International Assurance Co. Ltd. ("**AIA**"), and most of third party private equity funds in Asia. While at AIG, he led numerous successful private equity investments in the consumer/retail, technology, and infrastructure sectors in China, Taiwan, Southeast Asia and India.

Recent direct investment made by the Group

As disclosed in the announcement of the Company dated 30 September 2016, the Group has entered into two share purchase agreements to acquire a group of privately assisted reproductive service providers in Hong Kong, which marked the Group's maiden venture into the medical services sector. Upon completion on 1 November 2016, the Group has paid the total cash consideration of HK$282,776,000.

The Group has invested with other investors in a newly established company called Shengang Securities Company Limited ("**Shengang Securities**"), which engages in securities dealings in Shanghai, the PRC. Shengang Securities obtained a Securities and Futures Business License from the China Securities Regulatory Commission ("**CSRC**") on 10 October 2016, which allows Shengang Securities to engage in securities brokering, securities underwriting and sponsoring, securities trading and securities asset management related businesses in the PRC. The Group will cooperate with Shengang Securities to explore the business opportunities and create synergies through its network and client base in the PRC. Since Shengang Securities recently formally commenced business in China (Shanghai) Pilot Free Trade Zone, and we have already invested RMB525 million to it, the Group does not intend to put additional investment into Shengang Securities in the next twelve (12) months.

As for the fund investment, the Group intends to use approximately HK$156 million for the investment in the Agate Healthcare Fund, and approximately HK$62 million for the investment in the Children's Fund.

Agate Heathcare Fund is a private equity fund specialising in investments in medication, pharmaceutical technologies and healthcare sectors. The size of the fund is approximately US$100 million and the fund mainly invests in early or mid-stage Israeli enterprises or enterprises focused on the healthcare sectors, such as medical treatment and health, medical device, medical info-tech, mobile medical treatment and digital platform and wearable devices. The target investment size is approximately US$5-15 million per investment for a minority dominant stake and the target investment period is approximately four (4) years. In December 2016, the Group invested US$1.4 million (equivalent to approximately HK$11 million) in the Agate Healthcare Fund.

The Children's Fund has not yet been formed as at the Latest Practicable Date. It will be newly set up as a Cayman Islands exempted limited partnership to be registered under the Partnership Law with a preliminary targeted fund size of RMB500 million. The purpose of the Fund is to generate attractive financial returns and achieve long-term capital appreciation through, investing, directly or indirectly, in debt, equity or debt- or equity-related securities of private companies in the provision of services, product, technology and know-how in connection with mother-infant-children care and related industries, pursuing a global strategy executed by a seasoned and reliable management team or enabled by stable, long term strategic partnerships, where there can be identified a clear disposal strategy by way of a stock market listing, trade sale or asset injection into a listed company in a period of two (2) to five (5) years.

Intended Use of the Proceeds of the Rights Issue

To further implement the aforementioned growth strategy and further develop its existing business, the Company requires more funds to strengthen its current capital base. The gross proceeds of the Rights Issue will be approximately HK$2,876 million, and the estimated net proceeds of the Rights Issue will be approximately HK$2,840 million. The Company intends to apply such net proceeds in the following manner:

(i) Financial services — as to approximately HK$1,000 million to support the further development of the Group's securities business, including but not limited to margin financing services:

The Group will capitalise on opportunities from the launch of the Shenzhen-Hong Kong Stock Connect and further develop the securities and brokerage business, as well as the securities margin financing services, leverage and acquisition financing, and corporate finance services. The Group intends to use (a) HK$40 million to upgrade its IT system, internet trading platform for securities and futures trading, and internal control system; and (b) HK$960 million for the Group's margin financing business, leverage and acquisition financing, and securities and brokerage business as to approximately HK$460 million for the Group's securities and brokerage business including margin financing business, and approximately HK$500 million for the leverage and acquisition financing.

The Group intends to develop, through its indirect wholly-owned subsidiary Thomas Securities Company Limited ("**Thomas Securities**"), a full online discounted brokerage services to the retail clients, institutional clients and brokers and dealers, with Hong Kong and global equity products, together with Hong Kong and global futures execution in the future. Thomas Securities targets customers who have been proficient in online trading, across equities and futures. They usually do not require offline transaction services and look for low-transaction-cost execution services.

In order to support the launch of the equities and futures execution services of Thomas Securities, the Group intends to use HK$150 million to HK$200 million for setting up and marketing its trading platform, margin financing business and the working capital.

The Group will also use HK$260 million to HK$310 million to further develop the securities and brokerage services and margin financing business of Mason Securities Limited.

(ii) Asset management, wealth management and lending business — as to approximately US$90 million (equivalent to approximately HK$700 million) for the Group's wealth management business development, and approximately HK$140 million for the Group's money lending business:

The Group will develop its asset management and wealth management business, which require capital investment for, inter alia, setting up platforms, systems and building up clients and products networks. The Group is also considering different opportunities relating to investments in asset management and wealth management companies.

The Group is in the negotiation stage for a potential investment opportunity in a private bank and wealth management company, which provides traditional banking, wealth management and asset management services to clients worldwide. The Group intends to acquire a controlling stake in this private bank and wealth management opportunity for an investment amount of approximately US$90 million (equivalent to approximately HK$700 million). The Group has signed the non-binding letter of intent and is conducting the due diligence on this potential acquisition.

The Group believes that the investments in and the cooperations with the abovementioned companies can enhance the financial product development and distribution capabilities of the Group to its corporate clients and high net worth individual clients. Since the Company is still in the negotiation stage with the abovementioned companies, there is no assurance that the possible investments will materialise or be eventually consummated. If the abovementioned investments do not materialise eventually, the Company will utilize the proceeds reserved for the abovementioned investments for other opportunities relating to investments in asset management and wealth management companies, and/or money lending business.

As disclosed in the section headed "Reasons for the Rights Issue and Use of Proceeds — Business Update — Lending Business — Money Lending", the Group plans to increase the capital base of Mason Resources Finance Limited to develop its money lending business. The current loan portfolio of the Group's money lending business is approximately HK$830 million, and the Group intends to build up the loan portfolio to approximately HK$1,000 million. Therefore, the Group also intends to use approximately HK$140 million of the proceeds from Rights Issue for the Group's money lending business.

(iii) Direct investment — as to approximately HK$1,000 million for direct investment in the financial services industry and/or the healthcare/medical services and related sectors in connection to mother-infant-children sector:

As disclosed in the announcement of the Company dated 30 December 2016, the Company, through its wholly-owned subsidiary of the Company, Pioneer Leap Investments Limited, entered into an investment agreement in the amount of RMB550,000,000 (equivalent to approximately HK$616,000,000) for the acquisition of the franchisor of a leading franchise in mother-infant-children products business in Southern China with a regional network of over 800 corporate and franchise retail stores operating under the "愛嬰島" brand name, mainly in Guangdong, Jiangsu and Zhejiang provinces.

As disclosed in the announcement of the Company dated 30 December 2016, the Company, through its wholly-owned subsidiary of the Company, Mason Worldwide Capital Limited, entered into two (2) share purchase agreements in a total cash consideration of HK$214,216,000 for the acquisition of a company which, together with its subsidiaries, offers a range of products, solutions and services related to RNA and DNA analysis, and will, upon certain restructuring, be principally engaged in the operation of laboratory testing related business.

The consideration of the above two transactions are financed by the net proceeds of the Rights Issue.

In order to pursue the business strategies, the Group is from time to time seeking suitable investment opportunities which are in line with our strategies. As such, the remaining proceeds of HK$100 million is reserved for other projects that the Group is in preliminary discussion. These projects include but not limited to a (i) a majority stake in a renowned paediatric and medical aesthetic services chain operator in Hong Kong, and (ii) a leading and high growth P2P platform operator and payment gateway operator in the PRC.

Since the Company is still in the negotiation stage with the abovementioned companies, there is no assurance that the possible investments will materialise or be eventually consummated. If the abovementioned investments do not materialise eventually, the Company will utilize the proceeds reserved for the abovementioned investments for other opportunities relating to investments in financial services industry, and healthcare/medical services industry.

Expected Funding Needs for the Next 12 Months

Based on the Group's latest estimates, other than daily operating working capital, the expected funding needs of the Group for the next twelve (12) months (the "**Forecast Period**") is approximately HK$3,106.4 million. The expected funding needs for the Forecast Period are for the following major outflow:

(i) approximately HK$1,000 million to support further development of the Group's securities business, including but not limited to margin financing services;

(ii) approximately HK$840 million to supplement the Group's asset management, wealth management and lending business;

(iii) approximately HK$1,000 million for direct investment in the financial services industry and/or the healthcare/medical services and related sectors;

(iv) approximately HK$218 million to be applied towards the investment in a Children Fund and a Healthcare Fund; and

(v) approximately HK$48.4 million for the mortgage loan and securitization business.

The above funding needs are expected to be financed by the proceeds from the Rights Issue and internal financial resources. As at 30 November 2016, the cash and bank balance of the Group was approximately HK$673 million.

Furthermore, the key assumptions and factors used to prepare the forecast include but are not limited to the following:

(i) the Group's growth strategy i.e. to broaden the scope of its financial services platform as detailed in the pages 35 to 36 of this Prospectus;

(ii) there being no premature termination of its existing loan facilities from financial institutions;

(iii) there being no material adverse change in its financial services business; and

(iv) there will be no material change in the economic environment or market conditions in Hong Kong, PRC or other countries in which the Group operates or intends to operate.

The Directors consider that the Company, during the next twelve (12) months, may have external funding requirements, either in the form of debt financing or equity financing, in the following cases:

(i) applying for normal loan facilities from financial institutions for our securities margin business, leverage and acquisition financing business; and

(ii) if the Group comes across a compelling investment opportunity not included in the forecast during the Forecast Period, it will be funded by internally generated resources or external financing facilities so as to enable the Group to promptly capture a good investment opportunity when it arises.

It is a general practice for financial services companies to obtain external financing, apart from their internal resources, for their securities brokerage and margin financing, and leverage and acquisition financing business, such as the above mentioned circumstances in which the Group may obtain external funding. The Group will leverage on the external facilities available to develop its business after having considered the costs of funding and the spread income the Group can earn.

In order to implement the abovementioned growth strategy and further develop its existing business, and taking into account the expected funding needs under the section headed "Reasons for the Rights Issue and Use of Proceeds — Intended Use of the Proceeds of the Rights Issue", the Directors consider it necessary to raise the funds and the Rights Issue a suitable method. Taking into consideration the procedures and the length of time to complete the Rights Issue, the Directors consider that the conducting of the Rights Issue now is timely and in the interest of the Company and the Shareholders as a whole.

Other fund raising alternatives considered by the Group and the reasons for choosing the Rights Issue as funding method

The Directors have considered alternative means of fund raising such as a share placement, bank borrowings and the issuance of convertible bonds. However, given the size of the funds sought by the Company, the Directors consider that it is more prudent to finance the Group's long term growth by way of the Rights Issue, which will strengthen the Group's capital base and financial position without incurring substantial finance costs. Having considered:

(i) the dilutive effect to the shareholding interests of Shareholders in the case of a placement of new Shares or the possible conversion into equity of convertible bonds issued by the Company;

(ii) the additional finance costs that will be incurred by the Company through the increase in bank borrowings, the issuance of convertible bonds or other debt financing that would increase the Group's liabilities burden; and

(iii) the Rights Issue offers all Qualifying Shareholders (Rights Issue) an equal and fair opportunity to participate in the Rights Issue to maintain their pro-rata shareholding interests in the Company and in the future development of the Company,

the Directors are of the view that the Rights Issue allows the Group to strengthen its capital base and enhance its financial position without incurring any significant finance costs and to minimize the dilutive effect on the shareholding interest of Qualifying Shareholders (Rights Issue), and as such, the Directors consider that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

REASONS FOR THE BONUS ISSUE

The Board believes that the Bonus Issue will, on the one hand, enable the Group to maintain its cash position for future development, and on the other hand, allow the Shareholders to enjoy a pro-rata increase in the number of Shares held by them in the Company without incurring any significant costs to them.

The Bonus Issue will increase the number of Shares to be held by the Shareholders (including the Qualifying Shareholders (Bonus Issue) who are Qualifying Shareholders (Rights Issue), who did not take up any Rights Shares), which will increase the number of the issued Shares which can be traded in the market, and also enable the Shareholders to enjoy more flexibility in managing their own investment portfolios such as giving them an opportunity to dispose of part of their Shares and realise a cash return to meet the individual Shareholders' financial needs. As such, the Bonus Issue will induce the Shareholders to trade their shares and thus increase the trading volume and liquidity of the Shares.

Given the size of funds to be raised from Shareholders under the Rights Issue and the considerable investments to be made by the Company with such proceeds, the Directors believe that the prospects of the Company in the long term to be positive. The Directors, noting that the Shareholders' proportionate interests in the Company will not be increased by the Bonus Issue, are of the view that the Bonus Issue will allow the Shareholders to participate in the business growth of the Company and be an encouragement for the long-term support of the Shareholders, even if the Qualifying Shareholders (Bonus Issue) who are Qualifying Shareholders (Rights Issue) do not take up any Rights Shares.

EQUITY FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

Apart from the equity fund raising activity mentioned below, the Company has not carried out other equity fund raising activities during the twelve (12) months immediately preceding the Latest Practicable Date:

Date of announcement	Capital raising activity	Net proceeds raised	Proposed use of the net proceeds	Net proceeds utilised or reserved for use	Unused net proceeds
22 September 2016	Subscription of new Shares under general mandate	HK$725 million	(i) (a) approximately HK$90 million to HK$140 million to support the further development of the Group's money lending business and securities business, including but not limited to margin financing services and leverage and acquisition financing services; and	The Company has injected HK$140 million into Mason Securities Limited (a licensed corporation under the Securities and Futures Commission and is licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (CAP 571)) for the provision of margin financing facilities to its clients.	Nil
			(b) as to HK$75 million to fund the potential investment in a company which is principally engaged in provision of property mortgage services in Hong Kong market;	The Group has applied HK$38 million for its investment in its indirect non-wholly-owned subsidiary, which as disclosed in the announcement of the Company dated 7 October 2016 was established to conduct the lending and financing services business of the Group (of which the Company is indirectly interested in 70% of its issued share capital and paid HK$26.6 million). As disclosed in the announcement of the Company dated on 7 October 2016, the abovementioned indirect non-wholly-owned subsidiary of the Company has utilised an aggregate of approximately HK$35.25 million for the acquisition of an interest in a company which is principally engaged in the provision of mortgage loan and securitisation businesses in Hong Kong.	The Company intends to use the remaining HK$48.4 million for the mortgage loan and securitization business of the Group.
			(ii) approximately HK$300 million to HK$350 million for direct investment in the financial services industry and/or the healthcare/medical services sector; and	The Group has applied approximately HK$282.7 million for the payment of the consideration for the RHC Acquisition and the V&L Acquisition, as disclosed in the announcement of the Company dated 1 November 2016.	HK$17.3 million
			(iii) approximately HK$210 million to finance the further development of the fund investment and management business and asset management business of the Group.	In December 2016, the Group invested US$1.4 million (equivalent to approximately HK$11 million) in the Agate Healthcare Fund.	The Group intends to use HK$145 million for its further investment in the Agate Healthcare Fund, and HK$62 million for investment in the Children's Fund, totalling HK$207 million, of which HK$8 million will be paid by internal resources.

As at the Latest Practicable Date, the Group has utilised approximately 63.5% the net proceeds raised from the subscription of new Shares under general mandate which was completed on 5 October 2016.

TAXATION

Qualifying Shareholders (Rights Issue) are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding or disposal of, or dealing in the Rights Shares and regarding the Non-Qualifying Shareholder (Rights Issue) (if any), its receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accept responsibility for any tax effects or liability of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares.

WARNING OF THE RISKS OF DEALING IN SHARES AND RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-section headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" above). Accordingly, the Rights Issue may or may not proceed.

The Shares has been dealt in on an ex-rights basis from Wednesday, 4 January 2017. Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 17 January 2017 to Tuesday, 24 January 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Since the Company is still in the negotiation stage with some of the companies as stated in the section headed "Reasons for the Rights Issue and Use of Proceeds — Intended Use of the Proceeds of the Rights Issue", there is no assurance that the possible investments will materialise or be eventually consummated.

The release of this Prospectus does not mean that listing of the Rights Shares will be approved by the Stock Exchange.

Any dealing in the Shares from the date of this Prospectus up to the date on which all the conditions of the Underwriting Agreement are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisers. The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information of the Group set out in the appendices to this Prospectus.

By order of the Board
MASON FINANCIAL HOLDINGS LIMITED
Ko Po Ming
Joint Chairman and Chief Executive Officer

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three (3) financial years ended 31 December 2013, 2014 and 2015 were disclosed in the annual reports of the Company for the years ended 31 December 2013, 2014 and 2015. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.masonhk.com). Please refer to the hyperlinks as stated below.

2013 annual report:

http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0428/LTN20140428055.pdf

2014 annual report:

http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0427/LTN20150427033.pdf

2015 annual report:

http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0425/LTN20160425003.pdf

2. STATEMENT OF INDEBTEDNESS

As at 30 November 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the total indebtedness of the Group amounted to approximately HK$361,036,000, details of which are set out below:

	HK$'000
Unsecured bonds	20,000
Unsecured fixed coupon notes	300,000
Bank loan	40,000
Bonds interest payables	296
Fixed coupon notes interest payables	175
Amount due to former shareholders of a subsidiary	565
	361,036

Loan and margin facilities

The Group has loan facility of HK$75,000,000 and margin facility of HK$10,000,000 from a financial institution and a broker, which are secured by the Company's corporate guarantee and the respective financial assets at fair value through profit or loss respectively. HK$40,000,000 of the loan facility has been utilised as at 30 November 2016.

Commitment

As at 30 November 2016, the Group had a commitment in respect of development of software and renovation of office with an aggregate amount of approximately HK$4,184,000.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance leases or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 30 November 2016.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the effects of the completion of the Rights Issue and Bonus Issue and the financial resources available to the Group, the Group has sufficient working capital to satisfy its requirements and for at least the next twelve (12) months from the date of publication of this prospectus in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

As disclosed in the Company's 2016 Interim Report announced on 23 September 2016, the Group recorded an unaudited loss attributable to equity holders of the Company around HK$626 million for the six (6) months ended 30 June 2016 and the loss was largely resulted from the net fair value loss on investments held for trading. Save as aforesaid, the Directors confirm that they were not aware of any other material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up to, up to and including the Latest Practicable Date.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group principally provides comprehensive financial services in Hong Kong, including dealing in securities, commodities brokering, bullion trading services, provision of securities margin financing, provision of investment and corporate finance advisory services, investment in securities trading, money lending and investment holding.

Capitalising on its existing financial services platform, the Group intends to embark on a growth strategy to broaden the width of its current platform. In pursuance of its growth strategy, the Group will continue to expand its existing financial services business, i.e. securities brokerage, securities margin financing and money lending, and also plans to further develop its business into direct investment, provision of wealth management complimenting the securities and fund management business. As regards direct investment, the Group will initially focus on financial services related industry and healthcare/medical services and related sectors in connection to mother-infant-children sector.

Business Review as Set Out in Interim Report for the period of the Six (6) Months Ended 30 June 2016

Reference is made to the interim report of the Group for the six (6) months ended 30 June 2016.

During the six months ended 30 June 2016, although the Group faced a challenging external business environment, the Group diversified into the platform of financial services business by acquiring securities dealing, securities advising, futures dealing, securities margin financing, corporate finance advisory services, asset management and bullion-trading companies. Acquisition agreements were entered into on 25 November 2015 between Mason Innovation Investment Company Limited (now known as Mason Financial Group Limited), an indirect wholly-owned subsidiary of the Company, as a purchaser and Guoco Securities (Bermuda) Limited, as a vendor in respect of the acquisition of 100% of the issued shares of each of GuocoCapital Bullion Limited (now known as Mason Bullion Limited), GuocoCapital Limited (now known as Mason Securities Limited) and GuocoCapital Futures Limited (now known as Mason Futures Limited) and the shareholder's loan in the amount of HK$2 million owed by GuocoCapital Bullion Limited to Guoco Securities (Bermuda) Limited. The acquisition was completed in February 2016. Upon completion, the Group owned these companies with licenses to carry on the aforesaid financial services in Hong Kong.

The scale of the Group's investment in securities and futures trading and provision of finance to third-party customers is under the Group's control and can be adjusted to address its business objectives. Although the scale of the Group's own investment in securities for trading and loans receivables will be smaller upon completion of the transactions, the Group's existing principal operations in the aforesaid areas will remain unchanged. Efforts have been undertaken to integrate all its business segments to enhance synergy effects.

The Group is looking into applying its know-how in investment banking and private equity to further enhance its profitability. The Group from time to time engages in exploratory discussions to acquire asset management companies, strategically invest into companies in the fast growing insurance sector and other business cooperations in overseas in the normal course of identifying business opportunities. In response to the opening-up of the financial market of the PRC, the Group has invested with other investors in a newly established company called Shengang Securities Company Limited to engage in securities dealing in Shanghai, the PRC.

While the global economy is still in its midst of recovery with lots of uncertainties, it is inevitable that China's economy is still at its fast pace of development. The deregulation of the one-child system creates growth opportunities in the health care services and child care sectors. The Group intends to capture the growth opportunities in this growth sector through mergers and acquisitions.

During the six months ended 30 June 2016, the Group reported a negative turnover of approximately HK$33 million compared with a turnover of approximately HK$207 million for the corresponding period in 2015. The decrease in turnover was attributed to a loss incurred in securities trading during the six (6) months ended 30 June 2016 compared to a gain during the corresponding period last year. The Group reported a loss of approximately HK$626 million attributable to equity holders of the Company for the six (6) months ended 30 June 2016, primarily due to a net fair value change on investments held for trading, compared with a profit of approximately HK$554 million for the corresponding period of 2015.

During the six (6) months ended 30 June 2016, trading activities quietened down in the face of the highly uncertain outlook. Average daily turnover in the securities market contracted by 22.0% from the year end of 2015. As to futures and options dealing, the average daily trading volume shrank by 7.0% from the last year end. The Group generated a turnover of approximately HK$26 million and net loss of approximately HK$6 million in securities and futures dealings incurred by its newly acquired subsidiary companies. However, in the longer term, the securities service businesses it newly acquired at a total consideration of over HK$400 million are expected to be a significant contributor to the Group's revenue and profitability in the future.

As the Group has targeted creditworthy borrowers, the result of the Group's provision of financing services business has turned around from a loss of approximately HK$20 million during the corresponding period of last year to a net profit of approximately HK$1 million during the six (6) months ended 30 June 2016, notwithstanding the drop in revenue in this segment.

On the other hand, the Group disposed of certain wholly-owned subsidiaries and non wholly-owned subsidiaries, including the entire issued share capital of Mind Stone Investments Limited (holding approximately 9.54% of the issued share capital of Co-Lead Holdings Limited) and approximately 43.15% of the issued share capital of Co-Lead Holdings Limited, to an independent third party for a total consideration of HK$1,200 million. The principal businesses of the disposed companies (including a subsidiary of Co-Lead Holdings Limited) were in securities trading, provision of financing services and investment holding. The disposal has released financial resources to the Group to be used its working capital as well as to finance its investments in the financial services industry and future development and investment. The disposal was completed on 25 July 2016.

The Group foresees that the remaining months of 2016 will be equally challenging. While U.S. has tightened its monetary policy, the additional stimulus policies adopted by the central banks in Europe, Japan and the PRC will also underscore the global economy. Uncertainties and concerns will linger on, over the slowdown in the PRC economic growth and Renminbi devaluation, the perpetuation of U.S. rate hikes, movement of the US dollar and rising deflationary pressure in Europe. The launch of Shenzhen-Hong Kong Stock Connect will be a major driver supporting the domestic stock market for the current year. Given these macroeconomic circumstances, the Board sees both challenges and opportunities in navigating the treacherous business landscape while managing its investments and operations in the months ahead.

Moreover, the Group considers that its existing business portfolio as mentioned above, with a high degree of diversification in terms of asset allocation, is in line with its major business objective of focusing on the financial services industry. Apart from establishing a broad financial services platform, the Group will capitalise on opportunities from the launch of the Shenzhen-Hong Kong Stock Connect, coupled with both domestic and overseas mergers and acquisitions, to expand its business and fuel its growth. Furthermore, through the acquisitions of leading corporations in other financial platforms and business sectors, the Group will be in a unique position to diversify its risk while capturing growth opportunities and profitability.

Recent Development

Capitalising on its existing financial services platform, the Group intends to embark on a growth strategy to broaden the width of its current platform.

The Group's vision is to become a leading global financial conglomerate with global asset allocation capabilities, covering investment opportunities and distribution channels in Greater China, Japan, U.S., Europe, Asia Pacific and Middle East. The Group plans to cooperate with leading global asset management companies, private banks and insurance companies to develop financial products and channels for the clients to access the global markets, making the Group a "one-stop service provider for the global financial market".

The Group expects to create synergies through its extensive network of financial institutions and their high net worth client base in the Greater China.

In pursuance of its growth strategy, the Group will continue to expand its existing financial services business, i.e. securities brokerage, securities margin financing, leverage and acquisition financing and money lending, and also plans to further develop its business into the provision of asset and wealth management to compliment the securities and fund management business, and direct investment business.

(i) Financial services and lending business, including but not limited to securities brokerage, securities margin financing, money lending and mortgage loan business

Financial Services Business

With an average Hong Kong market turnover of HK$66 billion per day from 1 January 2016 to 31 October 2016, it is expected that, after the launch of Shenzhen-Hong Kong Stock Connect, there will be more capital flows between Hong Kong and the PRC, especially on southbound fund flows from Chinese insurance companies. To meet the challenging market conditions and customers demand, the Group has engaged new execution brokers for our retail clients and professional investors for dealing in listed securities in U.S. and European markets and has commenced the upgrading of its equity and futures trading system.

In October, the Company injected a total of HK$200 million into Mason Securities Limited for the provision of margin financing facilities to its clients, HK$140 million of which was raised from the subscription of new Shares under the general mandate which was completed on 5 October 2016. To meet the demand of the Group's clients on margin financing facilities and acquisition loans, which are capital-driven business, the Company requires capital to expand the margin financing and lending business.

The Directors believe that, though, as stated in our interim report for the six (6) months ended 30 June 2016, trading activities quietened down during the six (6) months ended 30 June 2016 and the remaining months of 2016 will be equally challenging, the Company could become more competitive in the securities market if it is equipped with a larger capital base and higher ability to provide margin financing. Therefore, the Directors are of the view that the proposed expansion of the financial securities services including securities margin financing would be in the interest of the Shareholders.

Lending Business

Money lending

The Group plans to increase the capital base of Mason Resources Finance Limited (an indirect wholly-owned subsidiary of the Company and holder of a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)) to develop its money lending business.

As disclosed in the announcements of the Company dated 27 October 2016, 4 November 2016 and 30 December 2016, respectively, the Company, through its indirect wholly-owned subsidiary, Mason Resources Finance Limited, entered into three (3) facility agreements to provide facilities in an aggregate amount of approximately HK$694 million to the borrowers.

Mortgage loan

The Group has identified opportunities to develop and expand the scope of its lending business through participation of the provision of mortgage loans in Hong Kong. Mortgage loans in Hong Kong are characterized by low delinquencies and default ratios. According to a residential mortgage survey conducted by The Hong Kong Monetary Authority ("**HKMA**"), the mortgage delinquency ratio for residential mortgage loans was only 0.04% for the month of September 2016. According to the statistics published on the website of HKMA, the new loans approved in 2015 amounted to HK$284,951 million, representing a slight increase of approximately 2.1% as compared to HK$278,981 million in 2014. The new loans approved in the first eight (8) months of 2016 amounted to HK$161,285 million, representing a decrease of approximately 25% as compared to HK$215,583 million in the comparative eight (8) months period in 2015. Although the amount of the mortgage loans decreased in 2016 compared to 2015, the Directors consider the mortgage loan market is still very big and has great potential, given the current market size and the expected business flow of the mortgage loans market in Hong Kong.

As disclosed in the announcement of the Company dated 7 October 2016, the Company, through its indirect non-wholly owned subsidiary (a company established to conduct the lending and financing services business of the Group), has acquired an interest in Hong Kong Mortgage Solutions Limited ("**HKMS**"). HKMS, together with a management company ("**Mortgage Management Company**") and other partners which are all Independent Third Parties, is engaged in the origination of mortgage loans and securitization business in Hong Kong. HKMS is principally engaged in the provision of first legal-charge mortgage loans on residential properties in Hong Kong, targeting customers who will use these properties for owner-occupied purpose. The size of its loan portfolio has been expanding steadily and amounted to approximately HK$75 million as at 30 November 2016. The Mortgage Management Company provides portfolio management services for the mortgage loan business of HKMS, and other services relating to set-up, accounting and administration. The direct investment in HKMS enables the Group to participate in the mortgage loan and securitization business in Hong Kong. This will serve as a platform for the future expansion in the scope of its lending and financing businesses.

The Mortgage Management Company possesses a strong management team with extensive experience in property mortgage financing. The chief executive officer of The Mortgage Management Company has about 20 years of experience in mortgage loans and securitization business, and was the formerly senior vice president of the Hong Kong Mortgage Corporation Limited. The chief operating officer of The Mortgage Management Company has more than 20 years of experience in the banking and finance industry, and was formerly the head of the compliance department of the Hong Kong branch of a foreign bank for six (6) years.

The Group's investment in HKMS, a company engaged in the provision of mortgage loan and securitization business, is carried out under suitable risk control environment. As at the Latest Practicable Date, the Group has invested HK$38 million in the mortgage loans and securitisation business of the Group, of which HK$26.6 million was paid by the Company which is indirectly interested in 70% of the issued share capital of the relevant company, and the Company intends to invest an additional HK$48.4 million in the said business which have and will be funded from the proceeds of the subscription of new Shares as disclosed in the announcement of the Company dated 22 September 2016 and completed on 5 October 2016.

(ii) Asset management and wealth management

As per the market research report prepared by PricewaterhouseCoopers ("**PwC**"), which was based on the survey jointly conducted by the Private Wealth Management Association and PwC in July 2016, Hong Kong is the fifth largest offshore wealth center globally and also ranked as the second billionaire city behind New York according to Wealth-X Billionaire Census 2015–2016, with high net worth individual wealth being projected to grow by 23.5% to reach US$1.4 trillion in 2016, according to the Private Banker International Report.

According to the Fund Management Activities Survey 2015 published by SFC in July 2016, Hong Kong's combined fund management business increased by 10.5% from approximately HK$16.0 trillion in 2013 to approximately HK$17.7 trillion in 2014, and remained at approximately HK$17.9 trillion in 2015. Under China's 12th 5-year plan and 13th 5-year plan it has stated that Mainland will support Hong Kong as a fund management center, and 7 Hong Kong funds were approved for public offering in the PRC under the Mainland — Hong Kong Mutual Recognition of Funds ("**MRF**") scheme as at the Latest Practicable Date.

Based on the above market surveys, the Directors believe there is great potential in the asset management and wealth management business.

In June 2016, the Group (upon receipt of approval from SFC) acquired Enerchine Investment Management Limited which conducts asset management and wealth management businesses. A team of experienced professional for the asset management and wealth management businesses, has been hired to advise the Group's senior management in implementing the business strategy and to set up the infrastructure and team. Being an integral part of the Group's overall strategy, the team has been working closely with the internal compliance team and external legal counsels as well as operational and control departments to set up the necessary infrastructure and systems and flows. In addition, the Group is currently in the discussion with other financial institutions to source a wide range of mutual funds and other investment products for our clients. Moreover, the Group plans to set up different forms of private equity funds for our clients. The private equity funds will initially focus on the theme of investing in asset-backed fixed income products and target at high net worth individual and companies which qualify as professional investors under the SFO. The Company will act as fund manager of the private equity funds and may also invest in some of the funds.

In addition to organic growth, the Group is also considering to accelerate the development by way of mergers and acquisitions. At present, the Group is exploring several investment opportunities relating to companies engaging in asset management and/or wealth management.

(iii) Direct investment

The Group's direct investments activities will complement the Group's core financial services businesses. The direct investments activities will initially focus on strategic investments in financial services, healthcare, and mother-infant-children consumer sectors. The Directors believe these sectors are complementary and offer significant opportunities for crossover synergies and enhance the overall value of the Group.

To this end, the Group will from time to time engage in strategic investment into companies in the fast growing financial sector and other business areas with growth potentials including but not limited to exploratory discussions in relation to strategic investment into companies in the fast growing financial sector and other business areas with growth potentials. In particular, the Group focuses on financial services institutions with proven track records which can help the Group to develop distribution channels in fund management, asset management and wealth management services for its clients.

The Company believes that financial services, healthcare, and mother-infant-children industry share common customers. These sectors are both synergistic and complementary, with significant opportunities for cross-sale.

The Company prefers to seek acquisitions targets with brand value, professional management with proven history of success, having conservative financial management policy, and with positive outlook.

In addition to financial services, the Directors believe in synergistic and complementary direct investment opportunities in (1) the healthcare sector in Greater China and Southeast Asia will continue to benefit from the rising personal income in the region; and (2) the mother-infant-children consumer segment in Greater China will benefit from the implementation of the two-child policy in China. In particular, the Group will target companies with quality management, proven and sustainable business model, strong cashflow and margins, healthy growth, and clean balance sheets.

China's rapid socio-economic growth and accelerated urbanization has led to an increase in disposable income per Chinese household. The implementation of the ''two-child'' policy further stimulates the mother-infant industry as the number of newborns in China is expected to increase exponentially over the next five years. With the ''two-child'' policy in full-force in 2016, it is expected that it will have a positive effect on the birth rate in the PRC. For referencing, just 2014 alone, the number of new borns in the PRC reached 16.9 million.

China's overall healthcare industry is expected to demonstrate continuous growth amid the rise of disposable income and population boom in China. In particular, the assisted reproduction sector and the genetic diagnostics sector have presented the substantial growth potentials. According to the Report of China's Genetic Diagnosis Market Study by China Insights Consultancy, Mainland China's genetic diagnostics market is expected to reach RMB14.6 billion by 2019, with a compound annual growth rate of 42.1% between 2014 and 2019 driven mainly by growth in the Non-invasive Prenatal Testing (''**NIPT**''), Preimplantation Genetic Diagnosis (''**PGD**''), and cancer diagnosis segments. The PGD market alone is expected to see a 28.4% compound annual growth rate from 2014 to 2019. Market penetration rate of PGD in China is low at the moment due to its high pricing, but as PGD technology continues to improve and testing costs continues to decrease, the price of NIPT is expected to decline and spark more demands over the next five years.

The Group is also exploring opportunities in general practitioners clinic chains, pediatrics and gynecology specialty operations, and life science opportunities such as molecular diagnostics and precision medicine businesses.

Recent direct investment made by the Group

As disclosed in the announcement of the Company dated 30 September 2016, the Group has entered into two share purchase agreements to acquire a group of privately assisted reproductive service providers in Hong Kong, which marked the Group's maiden venture into the medical services sector. Upon completion on 1 November 2016, the Group has paid the total cash consideration of HK$282,776,000.

The Group has invested with other investors in a newly established company called Shengang Securities Company Limited ("**Shengang Securities**"), which engages in securities dealings in Shanghai, the PRC. Shengang Securities obtained a Securities and Futures Business License from the China Securities Regulatory Commission ("**CSRC**") on 10 October 2016, which allows Shengang Securities to engage in securities brokering, securities underwriting and sponsoring, securities trading and securities asset management related businesses in the PRC. The Group will cooperate with Shengang Securities to explore the business opportunities and create synergies through its network and client base in the PRC. Since Shengang Securities recently formally commenced business in China (Shanghai) Pilot Free Trade Zone, and we have already invested RMB525 million to it, the Group does not intend to put additional investment into Shengang Securities in the next twelve (12) months.

As disclosed in the announcement of the Company dated 30 December 2016, the Company, through its wholly-owned subsidiary of the Company, Pioneer Leap Investments Limited, entered into an investment agreement in the amount of RMB550,000,000 (equivalent to approximately HK$616,000,000) for the acquisition of the franchisor of a leading franchise in mother-infant-children products business in Southern China with a regional network of over 800 corporate and franchise retail stores operating under the "愛嬰島" brand name, mainly in Guangdong, Jiangsu and Zhejiang provinces.

As disclosed in the announcement of the Company dated 30 December 2016, the Company, through its wholly-owned subsidiary of the Company, Mason Worldwide Capital Limited, entered into two (2) share purchase agreements in a total cash consideration of HK$214,216,000 for the acquisition of a company which, together with its subsidiaries, offers a range of products, solutions and services related to RNA and DNA analysis, and will, upon certain restructuring, be principally engaged in the operation of laboratory testing related business.

The consideration of the above two transactions are financed by the net proceeds of the Rights Issue.

As for the fund investment, the Group intends to use approximately HK$156 million for the investment in the Agate Healthcare Fund, and approximately HK$62 million for the investment in the Children's Fund.

Agate Heathcare Fund is a private equity fund specialising in investments in medication, pharmaceutical technologies and healthcare sectors. The size of the fund is approximately US$100 million and the fund mainly invests in early or mid-stage Israeli enterprises or enterprises focused on the healthcare sectors, such as medical treatment and health, medical device, medical info-tech, mobile medical treatment and digital platform and wearable devices. The target investment size is approximately US$5-15 million per investment for a minority dominant stake and the target investment period is approximately four (4) years. In December 2016, the Group invested US$1.4 million (equivalent to approximately HK$11 million) in the Agate Healthcare Fund.

The Children's Fund has not yet been formed as at the Latest Practicable Date. It will be newly set up as a Cayman Islands exempted limited partnership to be registered under the Partnership Law with a preliminary targeted fund size of RMB500 million. The purpose of the Fund is to generate attractive financial returns and achieve long-term capital appreciation through, investing, directly or indirectly, in debt, equity or debt- or equity-related securities of private companies in the provision of services, product, technology and know-how in connection with mother-infant-children care and related industries, pursuing a global strategy executed by a seasoned and reliable management team or enabled by stable, long term strategic partnerships, where there can be identified a clear disposal strategy by way of a stock market listing, trade sale or asset injection into a listed company in a period of two (2) to five (5) years.

Subscription under general mandate

On 22 September 2016, the Company entered into a subscription agreement with Future Achiever, which is indirectly wholly-owned and controlled by Mr. Hui Wing Mau, who is the chairman and executive director of Shimao Property Holdings Limited. Upon completion of the subscription on 5 October 2016, Future Achiever became interested in 3,072,880,000 Shares, holding approximately 16.67% of the issued Shares of the Company as at the Latest Practicable Date, and is a substantial Shareholder of the Company. The amount of net proceeds from the subscription, after deducting the relevant expenses incurred in relation to the subscription, was approximately HK$725 million. The Directors consider that the Group will benefit from Mr. Hui Wing Mau's extensive community network in the PRC, well-established reputation in the property market in the PRC and his financial strength, and therefore would help the development and expansion of the Group's business in the future.

Disposal

On 4 November 2016, Willie Resources Incorporated, a wholly-owned subsidiary of the Company, entered into the disposal agreement, pursuant to which Willie Resources Incorporated shall dispose of its 55 ordinary shares in the capital of Willie Link Limited ("**Willie Link**"), representing 55% of the issued share capital of Willie Link to Best Mate Limited, which is wholly owned by Mr. Chan Chak Kai

Kenneth (an Independent Third Party), for a cash consideration of HK$200,000,000. This disposal, when aggregated with the disposal in March 2016 by Willie Resources Incorporated of its 45 ordinary shares in the capital of Willie Link to Apex Corporate Investments Limited, which is wholly owned by Mr. Chow Kam Wah (an Independent Third Party), would result in Willie Link ceasing to be a subsidiary of the Company, and Freewill Group would consequently cease to be associates of the Company, and their respective financial results would cease to be consolidated or equity accounted for in the books of the Company with retrospective effect from 31 October 2016, upon completion of the said disposal which took place on 28 December 2016.

In summary, the Group will devote resources to strengthening its business in the financial services and lending business, asset management and wealth management, and direct investment in the financial services industry and/or the healthcare/medical services and related sectors in connection to the mother-infant-children sector. The Board believes that, with the cross-industry and diversified financial services platform, the Group will be in a unique position to capture growth opportunities and profitability in both the financial industry and the healthcare industry.

For illustrative purposes only, set out below is the unaudited pro forma adjusted consolidated net tangible assets of the Group, as at 30 June 2016, after completion of the Rights Issue, as if the Rights Issue had taken place on 30 June 2016. Although reasonable care has been exercised in preparing the unaudited pro forma financial information, Shareholders who read the information should bear in mind that it is inherently subject to adjustments and, because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The Directors
Mason Financial Holdings Limited
Room 4708–4710
47/F, the Center
99 Queen's Road
Central, Hong Kong

Dear Sirs,

MASON FINANCIAL HOLDINGS LIMITED
INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Mason Financial Holdings Limited (the "**Company**") and its subsidiaries (collectively the "**Group**") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated net tangible assets attributable to the equity holders of the Company as at 30 June 2016 and the related notes (the "**Pro Forma Financial Information**") as set out in Appendix II to the prospectus dated 13 January 2017 (the "**Prospectus**") issued by the Company. The applicable criteria on the basis of which the directors have compiled the Pro Forma Financial Information are described in Appendix II to the Prospectus.

The Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the proposed rights issue of 22,124,799,450 rights shares at HK$0.13 per rights share on the basis of six rights shares for every five shares of the Company held on the rights issue record date (the "**Rights Issue**") and the proposed bonus issue on the basis of one bonus share for every ten shares of the Company held on the bonus issue record date (the "**Bonus Issue**") on the Group's unaudited consolidated net tangible assets attributable to the equity holders of the Company as at 30 June 2016 as if the Rights Issue and the Bonus Issue had taken place on 30 June 2016. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's unaudited consolidated financial statements for the six months ended 30 June 2016, on which a review report has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the 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 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

Reporting Accountants' 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.

We apply Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintain 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 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 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 Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7.

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 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 Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Rights Issue and the Bonus Issue at 30 June 2016 would have been as presented.

A reasonable assurance engagement to report on whether the 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 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 pro forma adjustments give appropriate effect to those criteria; and
- The 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 entity, the event or transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the 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 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 Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 13 January 2017

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company prepared in accordance with Rule 4.29 of the Listing Rules is set out to illustrate the effect of the Rights Issue and the Bonus Issue on the unaudited consolidated net tangible assets of the Group as if the Rights Issue and the Bonus Issue had been completed on 30 June 2016.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared for illustrative purpose only and, because of its hypothetical nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The unaudited pro forma statement of adjusted consolidated net tangible assets is prepared based on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2016, as extracted from the published interim report of the Company for the six (6) months ended 30 June 2016, with adjustments described below.

	Unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016	**Estimated net proceeds from the Rights Issue**	**Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue**	**Unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016**	**Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue**	**Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue and the Bonus Issue**
	HK$'000	*HK$'000*	*HK$'000*	*HK$*	*HK$*	*HK$*
	(Note i)	*(Note ii)*		*(Note iii)*	*(Note iv)*	*(Note v)*
Rights Issue of 18,437,343,450 Rights Shares and Bonus Issue of 3,380,179,632 Bonus Shares	2,211,035	2,360,855	4,571,890	0.144	0.135	0.123

Notes:

(i) The unaudited consolidated net tangible assets of the Group attributable to equity holders of the Company as at 30 June 2016 of approximately HK$2,211,035,000 is based on the unaudited consolidated net assets of the Group attributable to the equity holders of the Company as at 30 June 2016 of approximately HK$2,391,899,000 as adjusted to exclude goodwill of approximately HK$94,073,000, intangible assets of approximately HK$100,779,000 and deferred tax liability relating to intangible assets of approximately HK$13,988,000 as shown on the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2016 as extracted from the published interim report of the Company for the six (6) months ended 30 June 2016.

(ii) The estimated net proceeds from the Rights Issue of approximately HK$2,360,855,000 is calculated based on 18,437,343,450 Rights Shares to be issued (in the proportion of six (6) Rights Shares for every five (5) Shares held as at the Rights Issue Record Date) at the subscription price of HK$0.13 per Rights Share, after deduction of the estimated related expenses of approximately HK$36,000,000, assuming that the Rights Issue had been completed on 30 June 2016, but does not take into account any Shares which would have been issued upon the issue of 3,072,880,000 Shares in October 2016 or any Shares which may be granted and issued or buy-back by the Company pursuant to the general mandate and the buy-back mandate, if any.

(iii) The unaudited consolidated net tangible assets per Share attributable to the equity holders of the Company as at 30 June 2016 is HK$0.144, which is calculated based on the unaudited consolidated net tangible assets of the Group attributable to the equity holders of the Company as at 30 June 2016 of HK$2,211,035,000 and 15,364,452,875 Shares in issue as at 30 June 2016.

(iv) The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue of HK$0.135 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue of HK$4,571,890,000 and 33,801,796,325 Shares, which represents 15,364,452,875 Shares of the Company in issue as at 30 June 2016 and 18,437,343,450 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of six (6) Rights Shares for every five (5) Shares held as at the Rights Issue Record Date), are in issue assuming that the Rights Issue had been completed on 30 June 2016, but does not take into account any Shares which would have been issued upon the issue of 3,072,880,000 Shares in October 2016 (see note (vi) below) or any Shares which may be granted and issued or buy-back by the Company pursuant to the general mandate and the buy-back mandate, if any.

(v) The unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Bonus Issue of HK$0.123 is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company immediately after completion of the Rights Issue and the Bonus Issue of HK$4,571,890,000 and 37,181,975,957 Shares, which represents (1) 15,364,452,875 Shares of the Company in issue as at 30 June 2016; (2) 18,437,343,450 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of six (6) Rights Shares for every five (5) Shares held as at the Rights Issue Record Date); and (3) 3,380,179,632 Bonus Shares to be issued, pursuant to the Bonus Issue (in the proportion of one (1) Bonus Share for every ten (10) Shares held as at the Bonus Issue Record Date), are in issue assuming that the Rights Issue and the Bonus Issue had been completed on 30 June 2016, but does not take into account any Shares which would have been issued upon the issue of 3,072,880,000 Shares in October 2016 (see note (vi) below) or any Shares which may be granted and issued or buy-back by the Company pursuant to the general mandate and the buy-back mandate, if any.

(vi) The unaudited pro forma statement of adjusted consolidated net tangible assets does not take into account the issue of 3,072,880,000 Shares in October 2016 (the "Share Subscription").

Had the Share Subscription been completed on 30 June 2016, the consolidated net tangible assets of the Group attributable to equity holders of the Company would increase from approximately HK$2,211,035,000 to approximately HK$2,936,526,000 after adjusting for 3,072,880,000 Shares issued at HK$0.24 per Share (net of the related expenses of approximately HK$12,000,000). The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the equity holders of the Company after completion of the Rights Issue would be approximately HK$5,776,750,000 after adjusting for estimated proceeds of approximately HK$2,840,224,000, which is calculated based on 22,124,799,450 Rights Shares to be issued (in the proportion of six (6) Rights Shares for every five (5) Shares held as at the Rights Issue Record Date) at the subscription price of HK$0.13 per Rights Share, after deduction of the estimated related expenses of approximately HK$36,000,000. Consequently, the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company would be HK$0.142 assuming the Rights Issue had been completed on 30 June 2016.

Had the Share Subscription been completed on 30 June 2016, the number of shares used for the calculation of the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company immediately after completion of the Rights Issue and the Bonus Issue would be based on 44,618,345,557 Shares, which represents the sum of 40,562,132,325 Shares in issue as at the Bonus Issue Record Date given that there has been no further issue of new Shares or repurchase of Shares from the date of the completion of the Rights Issue to the Bonus Issue Record Date and 4,056,213,232 Bonus Shares expected to be issued on the completion of the Bonus Issue. Consequently, the unaudited pro forma adjusted consolidated net tangible assets per Share attributable to the equity holders of the Company would be HK$0.129 assuming the Rights Issue and the Bonus Issue had been completed on 30 June 2016.

(vii) No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets of the Group to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2016.

1. RESPONSIBILITY STATEMENT

This Prospectus, 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

Under the Hong Kong Companies Ordinance (Cap. 622), the Company, a company incorporated in Hong Kong, does not have an authorised share capital and the Shares do not have a nominal value. The issued and fully paid share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue are as follows:

(i) As at the Latest Practicable Date

Issued and fully paid:

18,437,332,875	Shares

(ii) Immediately following completion of the Rights Issue and the Bonus Issue

Issued and fully paid:

18,437,332,875	Shares in issue
22,124,799,450	Rights Shares to be issued
4,056,213,232	Bonus Shares to be issued
44,618,345,557	Shares in total

As at the Latest Practicable Date, the Company had no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Rights Shares or Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(i) Interest of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of each Director and the chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) 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 he was deemed to have under such provisions of the SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Tong Tang Joseph	Interest of controlled corporation	3,842,524,965 *(Note 1)*	20.84%
Ko Po Ming	Beneficial owner	261,200,000	1.42%
Chang Tat Joel	Interest of controlled corporation	199,740,000 *(Note 2)*	1.08%

Notes:

1. These shares are held by Grace Gorgeous, 40% of which is held by First Elite Ventures Limited, which is in turn wholly-owned by Mr. Tong Tang, Joseph, who is a non-executive Director and the Joint Chairman of the Company.

2. These Shares are held by True Elite, a company wholly-owned by Mr. Chang Tat Joel.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning in Part XV of the SFO) which were (i) 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 he was deemed to have under such provisions of the SFO); (ii) required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies as set out in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange.

(ii) Interest of substantial shareholders

As at the Latest Practicable Date, in so far as is known to the Directors or the chief executive of the Company, the following persons (other than a Director or the chief executive of the Company) 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, who was, directly or indirectly, interested in 10% or more of the total number of Shares in issue of the Company carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Name	Capacity/Nature of interest	Number of Shares held	Approximate percentage of the issued share capital of the Company
Future Achiever	Beneficial owner	3,072,880,000 *(Note 1)*	16.67%

Notes:

1. These shares are held by Future Achiever, a wholly-owned subsidiary of Shiying Finance Limited, which is wholly owned by Mr. Hui Wing Mau.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any person (other than a Director or the 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 fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10% or more of the total number of Shares in issue of the Company carrying rights to vote in all circumstances at a general meeting of any member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member or the Group which is not determinable by the Company within one (1) year without payment of compensation (other than statutory compensation).

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, insofar as the Directors were aware, none of the Directors or their respective close associates were interested in any business which competes or is likely to compete, whether directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN ASSETS, CONTRACTS OR ARRANGEMENTS

As at the Latest Practicable Date,

(a) none of the Directors had any interest, either direct or indirect, in any assets which have, since 31 December 2015 (being the date to which the latest published audited consolidated accounts of the Group were made up), been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group; and

(b) none of the Directors was materially interested in any contract or arrangement subsisting and which is significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

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

(a) a conditional agreement dated 17 March 2015 entered into between the Company and Mission Capital Holdings Limited ("**Mission Capital**") in relation to the subscription of 1,500,000,000 new ordinary shares of Mission Capital by the Company at the consideration of HK$150,000,000 and the issue of 1,250,000,000 new Shares to Mission Capital or as it may direct at the consideration of HK$150,000,000;

(b) On 20 April 2015, Willie Resources Incorporated ("**WRI**", a subsidiary of the Company) executed a conditional agreement with Central Town Limited whereby WRI agreed to purchase the entire issued share capital of a property holding company from Central Town Limited at the consideration of HK$170 million;

(c) the share swap agreement dated 19 June 2015 entered into between Co-Lead Holdings Limited ("**Co-Lead**"), an indirect subsidiary of the Company, Loyal Fine Limited and Up Wonderful Limited in relation to the issue of new ordinary shares of Co-Lead ("**Co-Lead Shares**") in exchange for ordinary shares of Freeman Corporation Limited ("**FCL**") ("**FCL Shares**");

(d) a conditional agreement dated 26 June 2015 entered into between Nice Hill International Limited ("**Nice Hill**") as the vendor, which is an indirect wholly-owned subsidiary of the Company, and Downe Investments Limited as the purchaser in relation to the sale of 100% of the issued shares of Decade Enterprises Limited at the consideration of HK$300 million;

(e) On 6 July 2015, Co-Lead of executed a share swap agreement with Color State Limited and West West Limited whereby Co-Lead agreed to buy 55,000,000 shares in FCL held by Color State Limited in exchange for 550 new shares in Co-Lead and to buy 30,344,827 shares in FCL held by West West Limited in exchange for 303 new shares in Co-Lead;

(f) the promoters' agreement dated 21 September 2015 (the "**Promoters' Agreement**") entered into between the Company and the 3 corporate investors in Hong Kong, 11 corporate investors and 1 partnership investor in the PRC (collectively, the "**Co-Promoters**"), in relation to the formation of a foreign-funded joint stock company limited to be incorporated by the Company and the Co-Promoters under the name of "Shengang Securities Company Limited" in Shanghai, which will be principally engaged in securities related business with full licences to be approved by the China Securities Regulatory Commission ("**CSRC**");

(g) the cornerstone investment agreement dated 25 September 2015 entered into between a joint stock company incorporated in the People's Republic of China with limited liability under the Chinese corporate name "恒泰證券股份有限公司" ("**Hengtai**") as the issuer, Nice Hill as the investor, BOCOM International Securities Limited and Haitong International Securities Company Limited in relation to the subscription of the such number of H shares of Hengtai offered by Hengtai to Nice Hill at the aggregate subscription price of US$20 million;

(h) On 16 October 2015, Co-Lead received from FCL a three(3)-month zero coupon note dated 15 October 2015 with principal amount of HK$509,991,480.60 as FCL's offer to buy back 414,627,220 FCL Shares held by Co-Lead at the time and the buy-back offer was accepted by Co-Lead on 26 October 2015;

(i) the agreement dated 25 November 2015 and entered into between Mason Innovation Investment Company Limited, an indirect wholly-owned subsidiary of the Company, as a purchaser and Guoco Securities (Bermuda) Limited, as a vendor in respect of the acquisition of 100% of the issued shares of each of GuocoCapital Bullion Limited (now known as Mason Bullion Limited), GuocoCapital Limited (now known as Mason Securities Limited) and GuocoCapital Futures Limited (now known as Mason Futures Limited) and the shareholder's loan in the amount of HK$2 million owed by GuocoCapital Bullion Limited to Guoco Securities (Bermuda) Limited. The completion of the said acquisition took place on 16 February 2016 and the consideration (as adjusted) was approximately HK$415,069,422;

(j) a supplemental agreement dated 2 December 2015 entered into between the Company and the Co-Promoters to vary the terms of the Promoters' Agreement whereby the Company's shareholding in a foreign-funded joint stock company limited (namely, Shengang Securities Company Limited) to be incorporated in China would increase from 10% to 15% with a corresponding increase in the amount of capital contribution from RMB350 million to RMB525 million. Shengang Securities Company Limited has obtained a Securities and Futures Business License from the CSRC on 10 October 2016;

(k) the sale and purchase agreement dated 30 March 2016 entered into between Willie Resources Incorporated ("**Willie Resources**"), a wholly-owned subsidiary of the Company, as the vendor and Capital Union Inc. (an Independent Third Party) as the purchaser, pursuant to which Willie Resources has conditionally agreed to sell and Capital Union Inc. has conditionally agreed to acquire the entire issued share capital of Mind Stone Investments Ltd and 2,457 shares of Co-Lead Holdings Limited (representing approximately 43.15% of the issued share capital of Co-Lead Holdings Limited), at a total consideration of HK$1,200 million. Completion of the said disposal by the Group took place on 25 July 2016;

(l) the sale and purchase agreement dated 30 March 2016 entered into between Willie Resources as the vendor and Apex Corporate Investments Limited, which is wholly owned by Mr. Chow Kam Wah (an Independent Third Party) as the purchaser pursuant to which Willie Resources has conditionally agreed to sell and Apex Corporate Investments Limited has conditionally agreed to acquire 45 shares representing 45% interest of the issued share capital in Willie Link Limited ("**Willie Link**"), an indirect wholly-owned subsidiary of the Company for a cash consideration of HK$200 million. Completion of the said disposal took place on 31 March 2016;

(m) the subscription agreement dated 22 September 2016 entered into between the Company and Future Achiever, as the subscriber, pursuant to which Future Achiever has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue a total of 3,072,880,000 subscription shares at the subscription price of HK$0.24 per subscription share. Completion of the subscription took place on 5 October 2016 and the amount of net proceeds raised from the subscription, after deducting the relevant expenses incurred in relation to the subscription, were approximately HK$725 million;

(n) the share purchase agreement dated 30 September 2016 entered into between Jubilant Link Limited ("**Jubilant Link**"), a wholly-owned subsidiary of the Company, as the purchaser and Joywood International Limited ("**Joywood**", holder of 15% of the issued share capital of Reproductive HealthCare Limited ("**RHC**")) and Dr. Ho Wing Chiu Clement ("**Dr. Ho**", holder of 85% of the issued share capital of RHC) as the sellers (collectively, the "**RHC Sellers**") in relation to the sale and purchase of the entire issued share capital of RHC (the "**RHC Acquisition**"). The aggregate consideration for the said acquisition is a combination of HK$113,962,000 cash and 4,616 ordinary shares of Jubilant Link (the "**Jubilant Shares**") and shall be payable by Jubilant Link to the RHC Sellers on the date of completion of the said acquisition in the following manner (1) HK$34,886,000 payable in cash to Joywood; (2) HK$79,076,000 payable in cash to Dr. Ho; and (3) 4,616 Jubilant Shares to be allotted and issued to Dr. Ho. Completion took place on 1 November 2016;

(o) the share purchase agreement dated 30 September 2016 entered into between Jubilant Link, as the purchaser and Kanrich Pacific Limited ("**Kanrich**", holder of (i) the entire issued share capital of Victory "Art" Laboratory Limited ("**Victory**") and (ii) 60% of the issued share capital of Leader Enterprise Limited ("**Leader**")) as the seller and Mr. Chan Wing Cheng ("**Mr. Chan**"), Dr. Ho and Ms. Pang Yee Man Ophelia ("**Ms. Pang**") (each of Mr. Chan, Dr. Ho and Ms. Pang own one-third of the issued share capital of Kanrich) as the warrantors, in relation to the sale and purchase of the entire issued share capital of Victory and 60% of the issued share capital of Leader (the "**V&L Acquisition**"). The aggregate consideration for the said acquisitions is a combination of HK$168,814,000 cash and 4,380 Jubilant Shares and shall be payable by Jubilant Link at the direction of Kanrich to its shareholders, Mr. Chan, Dr. Ho and Ms. Pang, on the date of completion of the said acquisitions in the following manner: (1) HK$93,786,000 payable in cash to Mr. Chan; (2) HK$37,514,000 payable in cash to Dr. Ho; (3) HK$37,514,000 payable in cash to Ms. Pang; (4) 2,190 Jubilant Shares to be allotted and issued to Dr. Ho; and (5) 2,190 Jubilant Shares to be allotted and issued to Ms. Pang. Completion took place on 1 November 2016;

(p) in connection with the RHC Acquisition and the V&L Acquisition, the shareholders' agreement dated 30 September 2016 entered into between Jubilant Link, Mason Worldwide Capital Limited, a wholly-owned subsidiary of the Company, Dr. Ho, Ms. Pang and Mr. Wong Shun Yun, in relation to the management and administration of Jubilant Link's affairs and to govern certain shareholders' rights. The shareholders' agreement shall take effect on the earlier of (i) the date of completion of the RHC Acquisition; or (ii) the date of completion of the V&L Acquisition. Completion of both of the RHC Acquisition and the V&L Acquisition took place on 1 November 2016 and the shareholders' agreement took effect on the same date;

(q) the investment agreement dated 6 October 2016 entered into amongst others, Mason Capital Investments Limited, an indirect non-wholly-owned subsidiary of the Company (a company established to conduct the lending and financing services business of the Group), Mason Assets Limited, an indirect wholly-owned subsidiary of the Company, and other investors, pursuant to which, among other things, Mason Assets Limited has conditionally agreed to subscribe for new ordinary shares of Mason Capital Investments Limited in two (2) tranches at an aggregate consideration of HK$70 million. As at the Latest Practicable Date, the first tranche subscription has been completed and the consideration of HK$26.6 million has been paid and Mason Assets Limited is interested in 70% of the issued share capital of Mason Capital Investments Limited;

(r) the subscription and capitalisation agreement dated 6 October 2016 (the "**Subscription Agreement**") entered into amongst others, Mason Capital Investments Limited, an indirect non-wholly-owned subsidiary of the Company (a company established to conduct the lending and financing services business of the Group) and Hong Kong Mortgage Solutions Limited pursuant to which, among other things, Mason Capital Investments Limited has conditionally agreed to subscribe for new ordinary shares of Hong Kong Mortgage Solutions Limited ("**HKMS Share(s)**") (representing 43% of the issued share capital of the Target Company as enlarged by the allotment and issue of new Target Shares pursuant to the Subscription Agreement) for a total consideration of HK$35,250,000 (the "**Subscription**");

(s) in connection with the Subscription, the sale and purchase agreement dated 6 October 2016 entered into between Mason Capital Investments Limited with one of the shareholders of Hong Kong Mortgage Solutions Limited, pursuant to which Mason Capital Investments Limited has conditionally agreed to purchase and the shareholder has conditionally agreed to sell all 20 HKMS Shares (representing 4% of the issued share capital of Hong Kong Mortgage Solutions Limited as enlarged by the allotment and issue of new HKMS Shares pursuant to the Subscription Agreement) held by it to Mason Capital Investments Limited for a total consideration of HK$20 (the "**Purchase**"). Completion of the Subscription and the Purchase took place on 7 October 2016 and Mason Capital Investments Limited has become interested in 47% of the issued share capital of Hong Kong Mortgage Solutions Limited and an aggregate of 51% of the voting rights of Hong Kong Mortgage Solutions Limited through an arrangement with one of the other shareholders of Hong Kong Mortgage Solutions Limited;

(t) the Underwriting Agreement;

(u) the disposal agreement dated 4 November 2016 entered into between WRI as the vendor and Best Mate Limited (an Independent Third Party) as the purchaser, pursuant to which WRI has conditionally agreed to sell and Best Mate Limited has conditionally agreed to acquire 55 shares representing 55% interest of the issued share capital in Willie Link, an indirect non wholly-owned subsidiary of the Company for a cash consideration of HK$200 million. Completion of the disposal took place on 28 December 2016;

(v) the subscription agreement dated 25 November 2016 entered into between Mason Resources Finance Limited (as indirect wholly owned subsidiary of the Company) as the issuer, Dazzling Elite Limited (an Independent Third Party) as the subscriber and the Company as the guarantor, pursuant to which Mason Resources Finance Limited has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for the fixed coupon notes of an aggregate principal amount up to HK$100,000,000, and the Company has undertaken to guarantee the performance and observance by Mason Resources of its obligations under the subscription agreement and the instrument constituting the notes;

(w) the subscription agreement dated 25 November 2016 entered into between Mason Resources Finance Limited (as indirect wholly owned subsidiary of the Company) as the issuer, Haitong Freedom Multi-Tranche Master Bond Fund (an Independent Third

Party) as the subscriber and the Company as the guarantor, pursuant to which Mason Resources Finance Limited has conditionally agreed to issue, and the subscriber has conditionally agreed to subscribe for the fixed coupon notes of an aggregate principal amount up to HK$200,000,000, and the Company has undertaken to guarantee the performance and observance by Mason Resources of its obligations under the subscription agreement and the instrument constituting the notes;

(x) the share purchase agreement dated 30 December 2016 entered into between Mason Worldwide Capital Limited ("**Mason Worldwide**"), a wholly-owned subsidiary of the Company, as the purchaser and Victoria Fortress Investments Limited as the seller, pursuant to which Mason Worldwide has conditionally agreed to acquire the entire issued share capital of Victor Mind International Limited at an aggregate consideration of HK$187,500,000;

(y) the share purchase agreement dated 30 December 2016 entered into between Mason Worldwide as the purchaser and Ruby Success Limited as the seller, pursuant to which Mason Worldwide has conditionally agreed to acquire the entire issued share capital of Active Compass Limited at an aggregate consideration of HK$26,716,000; and

(z) the investment agreement dated 30 December 2016 entered into between (i) Pioneer Leap Investments Limited, a wholly-owned subsidiary of the Company, as the investor, (ii) Shining Time Holdings Limited as the investment target, (iii) Golden Metro Investments Limited and Cosmicfield Investments Limited as the substantial shareholders of the investment target, and (iv) Mr. Yip Shing Fung, Mr. Ye Faduan, Mr. Ye Fachao, Mr. Lin Han and Ms. Gao Qin as the management team members of the investment target, pursuant to which Pioneer Leap Investments Limited shall invest an amount of RMB550,000,000 (equivalent to approximately HK$616,000,000) subject to the terms and conditions of the investment agreement.

Save as disclosed above, as at the Latest Practicable Date, no contract (not being contracts entered into in the ordinary course of the business carried on by the Group) has been entered into by the Group within the two (2) years prior to the Latest Practicable Date and are or maybe material.

8. EXPERT AND CONSENT

The following is the qualification of the expert whose statements have been included in this Prospectus:

Name	**Qualification**
Mazars CPA Limited	Certified Public Accountants

Mazars CPA Limited has given and has not withdrawn its written consents to the issue of this Prospectus with the inclusion of its letter and/or references to its names included herein in the form and context in which they appears.

As at the Latest Practicable Date, Mazars CPA Limited was not interested in any shareholding in any member of the Group or the right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, and had no direct or indirect interest in any assets which have been or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up.

9. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claim of material importance and so far as the Directors are aware, there was no litigation, arbitration or claim of material importance known to the Directors to be pending or threatened by or against any member of the Group.

10. CORPORATE INFORMATION

Registered office & principal office	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Authorised representatives	Mr. Chang Tat Joel Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong Ms. Lui Choi Yiu Angela Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Company secretary	Ms. Lui Choi Yiu Angela *Certified Public Accountant* Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Share registrar and transfer office of the Company	Computershare Hong Kong Investor Services Limited Shops 1712–1716 17/F., Hopewell Centre 183 Queen's Road East, Wan Chai Hong Kong

Principal Bankers	The Hongkong and Shanghai Banking Corporation Limited DBS Bank (Hong Kong) Limited China Everbright Bank Company Limited China Construction Bank (Asia) Corporation Limited
Auditors and reporting accountants	Mazars CPA Limited *Certified Public Accountants* 42nd Floor, Central Plaza 18 Harbour Road, Wanchai Hong Kong
Legal adviser to the Company	Troutman Sanders 34th Floor, Two Exchange Square 8 Connaught Place Central Hong Kong
Underwriter	Haitong International Securities Company Limited 22/F., Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

11. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors and senior management of the Company:

Name	**Address**
Executive Directors	
Mr. Ko Po Ming *(Joint Chairman and Chief Executive Officer)*	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Mr. Chang Tat Joel	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Mr. Man Wai Chuen	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong

Ms. Lui Choi Yiu, Angela	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Non-executive Directors	
Mr. Tong Tang, Joseph *(Joint Chairman)*	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Ms. Hui Mei Mei, Carol	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Independent non-executive Directors	
Mr. Lam Yiu Kin	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Mr. Yuen Kwok On	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong
Mr. Tian Ren Can	Units 4708–10, 47/F The Center 99 Queen's Road Central Hong Kong

Executive Directors

Mr. Ko Po Ming, aged 58, has over 33 years of extensive experience in finance and investment banking business. Mr. Ko has been appointed as the Joint Chairman of the Board, an executive Director and the Chief Executive Officer of the Company since 8 September 2016. Prior to joining the Company, Mr. Ko was the Chief Executive Officer of CMBC International Limited, a wholly-owned subsidiary of the China Minsheng Banking Corp. Ltd. From October 2012 to March 2015, Mr. Ko was a consultant of China Minsheng Banking Corp., Ltd., Hong Kong Branch and was responsible for the setting up of CMBC International Holdings Limited. Prior to cofounding Goldbond Capital Holdings Limited ("**GCHL**") in 2003, he was the Head of Asian Corporate Finance of BNP Paribas Peregrine Capital Limited where he was in charge of the corporate finance business in

Asia. GCHL was acquired by Piper Jaffray Companies (NYSE: PJC) in 2007 and its name was changed to Piper Jaffray Asia Holdings Limited ("**PJA**"). Since then and until September 2012, Mr. Ko served as the chief executive officer of PJA. Mr. Ko graduated from The Chinese University of Hong Kong in 1982 with a Bachelor's degree in Business Administration.

Mr. Ko had acted as independent non-executive directors of a number of Hong Kong and Mainland China listed companies, including (i) Nanjing Panda Electronics Company Limited (stock code: 553) between 1996 and 1999; (ii) Dazhong Transport (Group) Company Limited (SHA: 600611) between 1997 and 2003; (iii) Chinese Energy Holdings Limited (formerly known as iMerchants Limited (stock code: 8009)) between 2000 and 2004; and (iv) Tianjin Capital Environmental Protection Group Company Limited (stock code: 1065) between 2003 and 2009. Mr. Ko was a Listing Committee member of the Main Board and Growth Enterprise Market of the Stock Exchange between May 2003 and June 2009.

At present, Mr. Ko is a non-executive director of Globe Metals and Mining Limited (ASX: GBE) and Petro-king Oilfield Services Ltd. (stock code: 2178) respectively. He is also a trustee of St. Johnsbury Academy, an independent day and boarding secondary school. St. Johnsbury Academy is a non-profit corporation under section 501(c)(3) of the Internal Revenue Code in the United States of America.

Mr. Chang Tat Joel, aged 48, has been appointed as an executive Director, a member of the remuneration committee of the Company, the Chief Operating Officer and the Authorised Representative of the Company since 8 September 2016. Mr. Chang has considerable strategic, financial and advisory experience. He was the cofounder of AID Partners Capital Limited and a founder of Genius Link Assets Management Limited, both are private equity investment companies. He was an executive director and investment committee member of AID Partners Capital Limited, and is responsible for its strategic investment planning. Prior to founding AID Partners Capital Limited, he was the chief investment officer of Investec Asia Limited, a managing director of China Everbright Capital Limited and an executive director of BNP Prime Peregrine Capital Limited. He is also a member of the Australian Society of Certified Practising Accountants and the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). He obtained a bachelor's degree in Economics from Monash University in 1990.

Mr. Chang is a non-executive director of AID Partners Technology Holdings Limited (Stock Code: 8088), an independent non-executive director of Dragonite International Limited (Stock Code: 329), a non-executive director of Kong Sun Holdings Ltd. (Stock Code: 295) and an independent non-executive director of Hailiang International Holdings Limited (Stock Code: 2336). He was formerly an independent non-executive director of Kingsoft Corporation Limited (Stock Code: 3888), and was an executive director and the chief financial officer of Orange Sky Golden Harvest Entertainment (Holdings) Limited (Stock Code: 1132). He was an independent director of China Mobile Games and Entertainment Group Limited, a company previously listed on NASDAQ.

Mr. Man Wai Chuen, aged 53, has been appointed as a Director of the Company since July 2013. He has over 20 years of experience in company secretarial and accounting fields. Mr. Man was formerly an independent non-executive director of Skyway Securities Group Limited (stock code: 1141) from November 2014 to November 2015 and China Optoelectronics Holding Group Company Limited (stock code: 1332) from August 2015 to January 2016, both of which are listed companies in Hong Kong. Mr. Man holds a Master's degree in Business Administration from the University of Sheffield in the United Kingdom. He is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Chartered Secretaries and an associate member of the HKICPA.

Ms. Lui Choi Yiu, Angela, aged 42, has been appointed as an executive Director of the Company since 26 April 2016. Ms. Lui is also the chief financial officer of the Group. Ms. Lui has also been appointed as the Company Secretary and an Authorised Representative of the Company since 8 September 2016. She is responsible for overall financial strategies, planning and management of the Group.

Prior to joining the Group, Ms. Lui had over 4 years of experience in audits in an international certified public accounting firms, over 16 years of experience in accounts, finance, operations, compliance and company secretarial duties in a listed securities firm and over 7 years of experience in company secretarial duties in a listed electroplating equipment designing and manufacturing company in Hong Kong.

She has over 20 years of experience in finance, accounting, and management and company secretary as well as extensive experience in management and operations of securities business. Ms. Lui graduated with a Bachelor of Science degree in Accounting from Azusa Pacific University in California, USA and a Postgraduate Diploma in Corporate Administration from Hong Kong Polytechnic University. She is currently a member of the American Institute of Certified Public Accountants and a member of the HKICPA.

Non-executive Directors

Mr. Tong Tang, Joseph, aged 57, has been appointed as a non-executive Director and the Joint Chairman of the Company, and is the chairman of the nomination committee of the Company since 26 April 2016. Mr. Tong has over 30 years of experience in the financial services industry. He was an executive director of Sun Hung Kai & Co. Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 86), from 4 December 2003 to 25 January 2016. During this period, he held various positions including chief executive officer of the Capital Markets and Institutional Brokerage department. He has also previously held senior positions with a number of international banks and financial institutions, including ABN AMRO Bank, CCIC Finance Limited, Bain & Co. Securities Limited and Bali International Finance Limited. Mr. Tong was also an independent non-executive director of Carry Wealth Holdings Limited, a company listed on the Main Board of the Stock Exchange (Stock Code: 643), from 11 July 2013 to 4 July 2016. Mr. Tong is an independent director of Jih Sun Financial Holding Co., Ltd. (and two of its subsidiaries), the shares of which are listed on the Gre Tai Securities

Market (GTSM) in Taiwan. Mr. Tong has a Bachelor's Degree in Social Sciences from the University of Hong Kong and a Master's Degree in Business Administration from the Chinese University of Hong Kong, and is a fellow member of the Association of Chartered Certified Accountants.

Ms. Hui Mei Mei, Carol, aged 41, has been appointed as a non-executive Director, a member of the remuneration committee and nomination committee of the Company since 5 October 2016. Ms. Hui has more than 18 years' experience in property development, and more than 10 years' experience in management and strategic planning of listed companies. Ms. Hui obtained a Bachelor's Degree in Commerce majoring in Accounting from Macquarie University in Australia in 1997.

She is also a Certified Practising Accountant in Australia. Ms. Hui is currently a member of Beijing Committee of the Chinese People's Political Consultative Conference, a council member of Beijing Chinese Overseas Friendship Association and a member of the Youth Committee of All-China Federation of Returned Overseas Chinese. Ms. Hui is currently the vice chairman of Shanghai Shimao Co., Ltd., a company listed on the Shanghai Stock Exchange (SHA: 600823), and the vice chairman and president of Shimao International Holdings Limited. Ms. Hui is also the sole director of Future Achiever Limited and the daughter of Mr. Hui Wing Mau.

Independent non-executive Directors

Mr. Lam Yiu Kin, aged 62, has been appointed as an independent non-executive Director of the Company since August 2015, and is the chairman of the audit committee, a member of both the nomination committee and remuneration committee of the Company. He graduated from Hong Kong Polytechnic University with a higher diploma in accounting in October 1975 and was conferred an Honorary Fellow in November 2002. Mr. Lam became a fellow member of the Association of Chartered Certified Accountants in June 1983, a fellow member of the Chartered Accountants of Australia and New Zealand in June 1999, a fellow member of the HKICPA in June 1989 and a fellow member of Institute of Chartered Accountants in England and Wales in January 2015. Mr. Lam was previously a member of the Listing Committee and the Financial Reporting Advisory Panel of the Stock Exchange from 1997 to 2003, a committee member of HKICPA from 1994 to 2009.

Mr. Lam was a partner with PricewaterhouseCoopers Hong Kong from July 1993 to June 2013. He has extensive experience in finance and accounting, auditing and business consultation. Since October 2013, Mr. Lam has been serving as an independent non-executive director of Shanghai Fudan-Zhangjiang Bio-Pharmaceutical Co., Ltd. (a company listed on the Stock Exchange, stock code: 1349). From June 2014 to September 2015, he served as an independent non-executive director of Kate China Holdings Limited (a company listed on the Stock Exchange, stock code: 8125). Since January 2015, he has been serving as an independent non-executive director of Spring Asset Management Limited (the units of Spring Real Estate Investment Trust, which is managed by Spring Asset Management Limited, is listed on the Stock Exchange, stock code: 1426). He has been serving as an independent non-executive director of Vital Mobile Holdings Limited (a company listed on the Stock Exchange, stock code: 6133) since September 2014, an independent non-executive director of Global Digital Creations Holdings Limited (a company listed on the Stock Exchange, stock code: 8271) since July 2015, an independent non-executive director of COSCO Shipping Ports Limited (a company listed on the Stock Exchange, stock code: 1199) and an independent non-executive director of Shougang Concord Century Holdings Limited (a company listed on the Stock Exchange, stock code: 103) since August 2015 and an independent non-executive director of Nine Dragons Paper (Holdings) Limited (a company listed on the Stock Exchange, Stock code: 2689) since March 2016.

Mr. Yuen Kwok On, aged 51, has been appointed as an independent non-executive Director of the Company since October 2015, and is the chairman of the remuneration committee, a member of both the audit committee and nomination committee of the Company. Mr. Yuen graduated from the La Trobe University in Australia in July 1991 with a bachelor degree of economics. He obtained a master degree of business administration from Hong Kong Baptist University in December 1998. Mr. Yuen is a member of the CPA Australia and the HKICPA since September 1994 and April 1995, respectively. He has more than 22 years of working experience in the field of finance and accounting. Mr. Yuen was the chief financial officer and company secretary of Orange Sky Golden Harvest Entertainment (Holdings) Limited ("**OSGH**") (a company listed on the Main Board of the Stock Exchange, stock code: 1132). Prior to joining OSGH in October 1996, Mr. Yuen had over 5 years of audit working experience in international accounting firms. Mr. Yuen worked in OSGH for more than 16 years and left OSGH in June 2013. He has extensive experience in financial analysis, risk control and mergers and acquisitions, as well as in-depth knowledge of operations of film distribution and exhibition business. Since July 2013, Mr. Yuen has been serving as an independent non-executive director of AID Partners Capital Holdings Limited (a company listed on the Growth Enterprise Market of the Stock Exchange, stock code: 8088).

Mr. Tian Ren Can, aged 55, has been appointed as an independent non-executive Director of the Company, and is the member of each of the audit committee, remuneration committee and nomination committee of the Company since 26 April 2016. Mr. Tian has more than 20 years of working experience in the field of finance. Mr. Tian is currently the chief executive officer of UBP Investments Management (Shanghai) Limited. He was the chief executive officer of HFT Investments Management Co., Ltd. from April 2003 to March 2015. Before that, Mr. Tian worked for multi-national financial institutes. Mr. Tian obtained a Master Degree of Business Administration awarded jointly by Manchester Business School and University of Wales of the United Kingdom. He obtained a Master Degree in Political Sciences International Relations from Shanghai International Studies University. Mr. Tian graduated from Shanghai Foreign Languages Institute with a Bachelor Degree in French Language and French Literature. Since June 2016, Mr. Tian has been serving as an executive director of Huarong Investment Stock Corporation Ltd. (formerly known as Chun Sing Engineering Holdings Limited), a company listed on the Main Board of the Stock Exchange, stock code: 2277.

12. MISCELLANEOUS

(a) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

(b) In the event of inconsistency, the English texts of this Prospectus shall prevail over the Chinese texts thereof.

13. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK$36 million, which are payable by the Company.

14. LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. When an acceptance or application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (WUMP) Ordinance.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus, the PAL and the EAF, having attached thereto the written consent referred to under the paragraph headed "Expert and Consent" above in this Appendix and each of the material contracts as referred to in the section headed "Material Contracts" above in this Appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 38D of the Companies (WUMP) Ordinance.

16. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours (i.e. from 9:30 a.m. to 6:00 p.m. on Monday to Friday) at the principal place of business of the Company at Units 4708-10, 47/F, The Center, 99 Queen's Road Central, Hong Kong on any weekday other than public holidays, up to and including the Latest Time for Acceptance:

(a) the articles of association of the Company;

(b) the annual reports of the Company for the years ended 31 December 2014 and 31 December 2015;

(c) the unaudited pro forma financial information of the Group, the text of which are set out in Appendix II to this Prospectus;

(d) the written consents referred to in the paragraph headed "Expert and Consent" in this appendix;

(e) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(f) the letter from Mazars CPA Limited, the reporting accountants, in respect of the unaudited pro forma statement of the adjusted consolidated net tangible assets of the Group, the text of which is set out in Appendix II of this Prospectus; and

(g) all circulars of the Company issued pursuant to the requirements set out in Chapters 14 and/or 14A which have been issued since 31 December 2015, including this Prospectus.