THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

太陽國際資源有限公司

SUN INTERNATIONAL RESOURCES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8029)

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SUN INTERNATIONAL SECURITIES LIMITED AND SUN INTERNATIONAL ASSET MANAGEMENT LIMITED; (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MANAGEMENT SERVICES AGREEMENTS AND LICENCE AGREEMENTS; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening an extraordinary general meeting (the "**EGM**") of the Company to be held at Units 2414–2418, 24th Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Monday, 23 November 2015 at 11:00 a.m. is set out on pages EGM-1 to EGM-4 of this circular. A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the enclosed form of proxy will not preclude you from attending and voting in person at such meeting or any adjournment meeting should you so wish and in such event, the proxy shall be deemed to be revoked.

4 November 2015

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

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

CONTENTS

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

"Acquisition"	the proposed acquisition by the Purchaser of the Sale Shares from the Vendor subject to and upon the terms and conditions of the Acquisition Agreement
"Acquisition Agreement"	the sale and purchase agreement dated 19 August 2015 and entered into between the Purchaser and the Vendor in relation to the Acquisition
"Agreements"	collectively, the Acquisition Agreement, the Management Services Agreements and the Licence Agreements
"Annual Caps"	collectively, the Target A Management Services Annual Caps, Target B Management Services Annual Caps, the Target A Licence 1 Annual Caps, the Target A Licence 2 Annual Caps, the Target A Licence 3 Annual Caps, the Target A Licence 4 Annual Caps and the Target B Licence Annual Caps
"associates"	has the meaning ascribed thereto under the GEM Listing Rules
"Board"	the board of Directors
"business day(s)"	a day (excluding Saturday, Sunday or public holiday) in Hong Kong on which licensed banks are generally open for business throughout the normal working hours
"BVI"	the British Virgin Islands
"Company"	Sun International Resources Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM
"Completion"	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
"connected person"	has the meaning ascribed to it under the GEM Listing Rules
"Consideration"	the consideration for the sale and purchase of the Sale Shares under the Acquisition Agreement
"Director(s)"	the director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be held and convened at Units 2414–2418, 24th Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Monday, 23 November 2015 for the purpose of considering and, if thought fit, approving the Agreements and the transactions contemplated thereunder (including the Management Services Agreements, the Licence Agreements and the Annual Caps)
"Encumbrance"	any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation or other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase or sale and leaseback arrangement whatsoever nature and includes any agreement for any of the same
"Enlarged Group"	the Group as enlarged by the Target Companies
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders as to the fairness and reasonableness of the Agreements and the transactions contemplated thereunder (including the Annual Caps)
"Independent Shareholder(s)"	Shareholder(s) (other than the Vendor, Ms. Yeung So Mui, Mr. Cheng Ting Kong, Mr. Chau Cheok Wa and their respective associates) and all other Shareholders who are interested in the Agreements and the transactions contemplated hereunder
"Latest Practicable Date"	30 October 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular

"Licence Agreements"	collectively, the Target A Licence Agreement 1, the Target A Licence Agreement 2, the Target A Licence Agreement 3, the Target A Licence Agreement 4 and the Target B Licence Agreement
"Long Stop Date"	31 January 2016, or such later date as the Vendor and the Purchaser may agree in writing
"Management Services"	the Management Services to be provided by the Vendor Group to the Target Companies pursuant to the terms and conditions of the Management Services Agreements
"Management Services Agreements"	collectively, the Target A Management Services Agreement and the Target B Management Services Agreement
"Messis Capital" or the "Independent Financial Adviser"	Messis Capital Limited, a licensed corporation under the SFO to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities as defined under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Acquisition Agreement and the transactions contemplated thereunder (including but not limited to the Management Services Agreements, the Licence Agreements and the Annual Caps)
"New Target B Shares"	800,000 new shares of Target B allotted and issued by Target B to the Vendor pursuant to the Subscription which, together with the 6,500,000 shares of Target B in issue as at the date of the Acquisition Agreement, shall constitute the entire issued share capital of Target B immediately before Completion
"Office 1"	the office situated at 3703–08, 37/F, ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong
"Office 2"	the office situated at Unit 1210–1214, 12/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong
"Office 3"	the office situated at Unit 1007–1012, 10/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong
"Office 4"	the office situated at Unit 1901, 19/F, Crocodile Centre, 79 Hoi Yuen Road, Kwun Tong, Hong Kong

"Offices"	collectively the Office 1, the Office 2, the Office 3 and the Office 4
"PRC"	the People's Republic of China, which for the purpose of this circular excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Promissory Note"	the promissory note to be issued by the Company to the Vendor in the principal amount of up to HK$147,300,000 as the Consideration
"Purchaser"	Infinite Success Investments Limited, a company incorporated in BVI with limited liability and an indirect wholly-owned subsidiary of the Company
"Sale Shares"	the Target A Sale Shares and the Target B Sale Shares
"SFC"	The Securities and Futures Commission
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.04 each in the share capital of the Company
"Shareholders"	holders of the Share(s)
"SIFGA"	Sun International Financial Group (Asia) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor
"SIFGMS"	Sun International Financial Group Management Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of New Target B Shares by the Vendor at a total subscription price of HK$800,000 in accordance with the Acquisition Agreement, which was completed on 20 August 2015

"Target A"	Sun International Securities Limited, a company incorporated in Hong Kong with limited liability and a licenced corporation under the SFO to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities as defined under the SFO
"Target A Licence 1 Annual Caps"	the expected maximum annual aggregate rents and management fees payable by Target A to SIFGMS under the Target A Licence Agreement 1 for the years ending 31 March 2016, 2017, 2018 and 2019, as defined in the section headed "Target A Licence Agreement 1" of this circular
"Target A Licence 2 Annual Caps"	the expected maximum annual aggregate rents and management fees payable by Target A to SIFGA under the Target A Licence Agreement 2 for the years ending 31 March 2016 and 2017, as defined in the section headed "Target A Licence Agreement 2" of this circular
"Target A Licence 3 Annual Caps"	the expected maximum annual aggregate rents and management fees payable by Target A to SIFGA under the Target A Licence Agreement 3 for the years ending 31 March 2016, 2017 and 2018, as defined in the section headed "Target A Licence Agreement 3" of this circular
"Target A Licence 4 Annual Caps"	the expected maximum annual aggregate rents and management fees payable by Target A to SIFGA under the Target A Licence Agreement 4 for the years ending 31 March 2016 and 2017, as defined in the section headed "Target A Licence Agreement 4" of this circular
"Target A Licence Agreement 1"	the licence agreement to be entered into between SIFGMS and Target A in relation to the grant of licence to use Office 1 by SIFGMS
"Target A Licence Agreement 2"	the licence agreement to be entered into between SIFGA and Target A in relation to the grant of licence to use Office 2 by SIFGA
"Target A Licence Agreement 3"	the licence agreement to be entered into between SIFGA and Target A in relation to the grant of licence to use Office 3 by SIFGA
"Target A Licence Agreement 4"	the licence agreement to be entered into between SIFGA and Target A in relation to the grant of licence to use Office 4 by SIFGA

"Target A Management Services Agreement"	the management services agreement to be entered into between SIFGMS and Target A in respect of the provision of Management Services by SIFGMS to Target A
"Target A Management Services Annual Caps"	the expected maximum annual aggregate fees payable by Target A to SIFGMS under the Target A Management Services Agreement for the years ending 31 March 2016 and 2017, as defined in the section headed "Target A Management Services Agreement" of this circular
"Target A Sale Shares"	140,000,000 shares in the issued share capital of Target A, representing the entire issued share capital of Target A
"Target B"	Sun International Asset Management Limited, a company incorporated in Hong Kong with limited liability and a licenced corporation under the SFO to carry on type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities as defined under the SFO
"Target B Licence Agreement"	the licence agreement to be entered into between SIFGMS and Target B in relation to the grant of licence to use Office 1 by SIFGMS
"Target B Licence Annual Caps"	the expected maximum annual aggregate rents and management fees payable by Target B to SIFGMS under the Target B Licence Agreement for the years ending 31 March 2016, 2017, 2018 and 2019, as defined in the section headed "Target B Licence Agreement" of this circular
"Target B Management Services Agreement"	the management services agreement to be entered into between SIFGMS and Target B in respect of the provision of Management services by SIFGMS to Target B
"Target B Management Services Annual Caps"	the expected maximum annual aggregate fees payable by Target B to SIFGMS under the Target B Management Services Agreement for the years ending 31 March 2016 and 2017, as defined in the section headed "Target B Management Services Agreement" of this circular
"Target B Sale Shares"	7,300,000 shares in the issued share capital of Target B (inclusive of the 800,000 New Target B Shares allotted and issued by Target B to the Vendor pursuant to the Subscription), representing the entire issued share capital of Target B immediately before Completion

"Target Companies"	Target A and Target B
"Transactions"	the Acquisition and the transactions as contemplated under the Management Services Agreements and the Licence Agreements
"Vendor"	Sun International Financial Group Limited, a company incorporated in BVI with limited liability
"Vendor Group"	the vendor and its subsidiaries (excluding the Target Companies)
"HK$"	Hong Kong dollar(s), the lawful currency for the time being of Hong Kong
"%"	per cent

太陽國際資源有限公司
SUN INTERNATIONAL RESOURCES LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8029)

Executive Directors:
Mr. Cheng Ting Kong *(Chairman)*
Ms. Cheng Mei Ching
Mr. Lee Chi Shing, Caesar
Mr. Lui Man Wah

Independent non-executive Directors:
Mr. Chan Tin Lup, Trevor
Mr. Tou Kin Chuen
Mr. Wang Zhigang

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

Head office and principal place of business in Hong Kong:
Units 2414–2418, 24th Floor
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

4 November 2015

To the Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SUN INTERNATIONAL SECURITIES LIMITED AND SUN INTERNATIONAL ASSET MANAGEMENT LIMITED; (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MANAGEMENT SERVICES AGREEMENTS AND LICENCE AGREEMENTS; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 19 August 2015. The Board is pleased to announce that on date 19 August 2015, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, (i) the Target A Sale Shares, representing the entire issued share capital of Target A, and (ii) the Target B Sale Shares, representing the entire issued share capital of Target B at the Consideration of HK$147,300,000 (subject to adjustment).

The purpose of this circular is to provide you, among other matters, (i) further details of the Transactions; (ii) the letter from Messis Capital to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM.

THE ACQUISITION AGREEMENT

Major terms of the Acquisition Agreement are set out below:

Date: 19 August 2015

Parties: (1) Purchaser: Infinite Success Investments Limited, an indirect wholly-owned subsidiary of the Company; and

(2) Vendor: Sun International Financial Group Limited.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor is principally engaged in investment holding while the Vendor Group is principally engaged in the provision of wealth management services such as insurance and investment immigration consultancy services. As at the Latest Practicable Date, the Vendor is owned as to 50% by Mr. Chau Cheok Wa and as to 50% by Ms. Yeung So Mui, the spouse of Mr. Cheng Ting Kong, an executive Director and the chairman of the Company. Each of Mr. Chau Cheok Wa and Mr. Cheng Ting Kong is a substantial shareholder and is interested in approximately 47.14% of the issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company under the GEM Listing Rules.

Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell (i) the Target A Sale Shares, representing the entire issued share capital of Target A; and (ii) the Target B Sale Shares, representing the entire issued share capital of Target B immediately before Completion, free from all Encumbrances with effect from Completion together with all rights attaching thereto.

The Purchaser shall not be obliged to purchase any of the Target A Sale Shares and the Target B Sale Shares unless the sale and purchase of the Target A Sale Shares and the Target B Sale Shares are completed simultaneously.

The original acquisition cost for the establishment of the Target Companies by the Vendor was approximately HK$144,500,000. Furthermore, the Vendor has subscribed for the New Target B Shares at a total subscription price of HK$800,000 on 20 August 2015.

Consideration

The Consideration for the purpose of the Sale Shares is HK$147,300,000, which shall be satisfied by the Purchaser by procuring the Company to issue the Promissory Note to the Vendor upon Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms by taking into account (i) the net asset value of the Target Companies; (ii) the future plans and prospect of the principal business of the Target Companies; (iii) valuation of companies with shares listed on the Stock Exchange which (a) are principally engaged in brokerage and/or margin financing business and (b) have sufficient listing and operating histories; and (iv) terms and conditions of transactions which are comparable to those contemplated under the Agreements in the period of twelve months preceding the date of the Acquisition Agreement. The Directors (including the independent non-executive Directors) consider the terms and conditions of the Acquisition Agreement have been arrived at after arm's length negotiations between the Purchaser and the Vendor, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

A summary of the selected companies and their respective price-to-book ratio is set out in the table below:

Company name	**Stock Code**	**P/B ratio**
Cinda International Holdings Limited	111 HK	1.02
Sunwah Kingsway Capital Holdings Limited	188 HK	1.26
Shenwan Hongyuan (H.K.) Limited	218 HK	2.15
First Shanghai Investments Limited	227 HK	0.62
China Fortune Financial Group Limited	290 HK	3.32
Reorient Group Limited	376 HK	5.29
Cash Financial Services Group Limited	510 HK	3.93
South China Financial Holdings Limited	619 HK	1.61
Emperor Capital Group Limited	717 HK	1.56
Southwest Securities International Securities Limited	812 HK	5.70
Quam Limited	952 HK	3.98
Simsen International Corporation Limited	993 HK	5.91
Kingston Financial Group Limited	1031 HK	1.94
Central China Securities., Ltd	1375 HK	1.54
Bright Smart Securities & Commodities Group Limited	1428 HK	2.41
Guolian Securities Co. Ltd.	1456 HK	1.31
GF Securities Co. Ltd.	1776 HK	1.77
Guotai Junan International Holdings Limited	1788 HK	2.42
CITIC Securities Company Limited	6030 HK	1.84
Haitong Securities Co. Ltd.	6837 HK	1.52
China Galaxy Securities Co. Ltd.	6881 HK	1.36
Huatai Securities Co. Ltd	6886 HK	1.68
Orient Securities International Holdings Limited	8001 HK	2.22
CL Group (Holdings) Limited	8098 HK	2.27
	Average	2.44
The Acquisition *(note 3)*		2.18

Source: Bloomberg

Notes:

(1) Based on the closing price as quoted on the Stock Exchange on 18 August 2015.

(2) Based on the latest audited financial statement of the respective selected companies as at 18 August 2015.

(3) Based on the consideration of HK$147.3 million and the aggregate audited net asset value of the Target Companies of approximately HK$67.7 million as at 31 March 2015.

Breakeven Guarantee

Pursuant to the Acquisition Agreement, the Vendor has irrevocably and unconditionally warranted and guaranteed to the Purchaser that the aggregate profits before taxation and extraordinary items of the Target Companies for the year ending 31 March 2016 will not be less than zero (the "**Breakeven Guarantee**").

In the event the actual aggregate profit before taxation and extraordinary items of the Target Companies for the year ending 31 March 2016 (the "**Actual Profit**") shall be less than zero, the Vendor shall compensate the Purchaser an amount equivalent to the absolute aggregate amount of loss recorded by the Target Companies (the "**Shortfall**").

In case the Breakeven Guarantee is not fulfilled, the compensation obligation of the Vendor shall be discharged by way of setting off the Shortfall against the face value of the Promissory Note on a dollar for dollar basis within three business days from the date of the Guarantee Certificate (as defined below). In the event that there shall remain any balance of the Shortfall after the Promissory Note is fully set off, such balance of the Shortfall shall be paid by the Vendor to the Purchaser in cash within seven business days after the set-off.

The final Consideration after adjustments under the Breakeven Guarantee shall be:

Final Consideration = HK$147,300,000 – Shortfall

The Vendor and the Purchaser shall procure that the audited financial statements of the Target Companies for the relevant period shall be prepared and reported on at the cost and expenses of the Purchaser by the auditors for the time being of the Company (the "**Auditors**") by the date falling three months after the expiry of the relevant period, and the Auditors shall issue a certificate (the "**Guarantee Certificate**") to certify the amounts of the Actual Profit. The Guarantee Certificate shall, in the absence of manifest error, be final and conclusive of the matters stated therein and binding on the Vendor and the Purchaser provided that the Vendor and the Purchaser shall procure the auditors of the Company to consult the Vendor and the Purchaser and taken into account the Vendor's and the Purchaser's views before the issue of the Guarantee Certificate.

The Breakeven Guarantee was arrived at after arm's length negotiations with reference to the historical performance of the Target Companies for the year ended 31 March 2015 and the prospectus and business development of the Target Companies. The Directors (including the independent non-executive Directors) consider that the Breakeven Guarantee provides effective protection to the Company in the event that the Actual Profit is less than zero. The Company will comply with the disclosure requirements of the GEM Listing Rules on whether the Vendor has fulfilled its obligations under the Breakeven Guarantee.

Subscription by Vendor before Completion

As at the date of the Acquisition Agreement, Target B has an issued and paid up capital of HK$6,500,000 divided into 6,500,000 shares. Pursuant to the Acquisition Agreement, the Vendor has irrevocably and unconditionally undertaken and covenanted with the Purchaser that, without further consideration payable by the Purchaser, the Vendor shall subscribe for, and shall procure Target B to allot and issue 800,000 New Target B Shares at a total subscription price of

HK$800,000 before Completion (the "**Subscription**"). The Subscription was completed on 20 August 2015 and the number of issued shares of Target B increased from 6,500,000 to 7,300,000, representing all the Target B Sale Shares.

Pursuant to section 55 of the Securities and Futures (Financial Resources) Rules (Chapter 571N of the Laws of Hong Kong), a licensed corporation shall notify the SFC in writing as soon as reasonably practicable and in any event within one business day of becoming aware of, among other matters, its liquid capital falls below 120% of its required liquid capital level (equivalent to HK$3.6 million for licensed corporations which carry on type 4, type 5 or type 9 regulated activities). The Subscription would result in Target B maintaining a liquid capital of approximately HK$4.6 million, which provides considerable margin above the required liquid capital under the Securities and Futures (Financial Resources) Rules.

As the Subscription is a condition precedent to the Acquisition Agreement, the Consideration has taken into account the Subscription and no additional consideration is payable by the Purchaser with respect to the Subscription.

Conditions precedent

Completion shall be conditional upon and subject to:

(1) the Purchaser being satisfied with the results of the due diligence review on the assets, liabilities, operations and affairs of the Target Companies;

(2) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Vendor and the Target Companies in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(3) all necessary consents, licences and approvals from the shareholders, bankers, financial institutions and regulators required to be obtained on the part of the Purchaser in respect of the Acquisition Agreement and the transactions contemplated thereby having been obtained and remain in full force and effect;

(4) the passing by the Independent Shareholders at the EGM to be convened and held of ordinary resolution(s) to approve the Acquisition Agreement and the transactions contemplated thereunder (including but not limited to the issue of the Promissory Note) and all other consents and acts required under the GEM Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;

(5) all warranties given by the Vendor in the Acquisition Agreement remaining true and correct in all respects and not misleading;

(6) if necessary, the approval from the SFC in relation to the change of substantial shareholder (as defined in the SFO) of the Target Companies having been obtained;

(7) each of the Target Companies having employed such number of qualified responsible officers for each regulated activity as required under the SFO and the relevant rules

and regulations to supervise the business of regulated activities carried on by the Target Companies at Completion;

(8) each of the Target Companies having terminated the existing arrangement with the Vendor or its associates (as the case may be) in connection with the provision of back-office support by the Vendor and/or its associates to the Target Companies;

(9) the Purchaser having reasonably satisfied that there has not been any material adverse change on the Target Companies since the date of the Acquisition Agreement; and

(10) the completion of the Subscription on such terms and conditions and in such manner as may be agreed by the Purchaser.

The Vendor shall use its best endeavours to procure the fulfillment of the conditions set out in (1), (2), (5), (6), (7), (8), (9) and (10) above. The Purchaser shall use its best endeavours to procure the fulfillment of the conditions precedent set out in conditions (3) and (4) above by the Long Stop Date and may in its absolute discretion at any time waive the conditions set out in (1) and (5) above by notice in writing. Neither the Purchaser nor the Vendor may waive any of the conditions set out in (2), (3), (4), (6), (7), (8), (9) and (10) above. For the avoidance of doubt, the Purchaser shall use its best endeavours, as assisted by the Vendor, to apply for, secure and obtain the approval from SFC in relation to the change of substantial shareholder (as defined in the SFO) of the Target Companies.

As at the Latest Practicable Date, the Purchaser has no intention to waive any of the above waivable conditions and the condition set out in (10) above has been satisfied.

If the conditions have not been fulfilled (or as the case may be, waived by the Purchaser) on or before 5:00 p.m. on the Long Stop Date, the Acquisition Agreement shall cease and determine and thereafter neither party to the Acquisition Agreement shall have any obligations and liabilities towards each other thereunder save or any antecedent breaches of the terms thereof.

Completion

Completion is conditional upon and subject to fulfilment or (if applicable) waiver of all the Conditions and will take place at within ten business days after the conditions precedent are fulfilled or waived (as the case may be) (or such other day as shall be agreed in writing between the parties to the Acquisition Agreement) (the "**Completion Date**").

Immediately after Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company. The results of the Target Companies will be consolidated into the financial statements of the Group.

Promissory Note

The principal terms of the Promissory Note are summarized below:

Parties:	(1)	the Company, as issuer and
	(2)	the Vendor, as payee

Principal amount:	HK$147,300,000
Interest:	2% per annum payable annually in arrears
Maturity:	the date falling on the third anniversary from the date of issue
Transferability:	The Promissory Note may, with five (5) business days' prior notice in writing to the Company of the payee's intention to transfer or assign the Promissory Note, be freely transferable and assignable by the payee to any other person and any subsequent holder of the Promissory Note will (except as otherwise required by law) be treated as the absolute owner of the Promissory Note for all purposes.
Redemption:	Provided that the Company has given to the payee not less than ten (10) business days' prior notice in writing, the Company shall have the right at any time prior to the maturity date of the Promissory Note redeem any part the outstanding principal amount of Promissory Note in whole or in part (in multiples of HK$1,000,000).

MANAGEMENT SERVICES AGREEMENTS AND LICENCE AGREEMENTS

Pursuant to the Acquisition Agreement, upon Completion, the Vendor Group shall enter into the following agreements with each of the Target Companies:

(i) the Management Services Agreements, pursuant to which (i) the Vendor Group shall provide Management Services to the Target Companies; and (ii) Target A shall be permitted to participate in the marketing events organised by the Vendor Group at the sole and absolute discretion of Target A for a term of one year commencing from the Completion Date; and

(ii) the Licence Agreements, pursuant to which the Vendor Group shall grant licences to the Target Companies to use certain premises.

The Vendor Group has been providing management services and premises required for the operation of the Target Companies in the past two years. The historical amounts paid by the Target Companies to the Vendor Group for each of the years ended 31 March 2014 and 2015 were approximately HK$8,355,000 and HK$19,839,000 respectively. The management services provided by the Vendor Group to the Target Companies during the past three years include provision of administrative services, use of office facilities, organizing marketing and promotion activities and strategic input to the development of the Target Companies. According to the management of the Vendor Group, such costs were allocated to the Vendor Group's subsidiaries (including the Target Companies) on an aggregate basis based on its own allocation criteria which would be reviewed every three months.

To ensure continuity of the business operation immediately following Completion and maximize the flexibility of the Target Companies to secure the necessary management support services for their growth, the Vendor Group shall enter into the Management Services Agreements as the License Agreements with each of the Target Companies upon Completion. The scope of services and the proposed annual caps were determined with respect to the projected business activities (including marketing activities) of the Target Companies for the 12 months following Completion. Pursuant to the Management Services Agreements and the Licence Agreements, the maximum aggregate amount payable under the proposed management services agreements and the licence agreements for the period of twelve months following Completion shall be approximately HK$9,000,000.

As the proposed management services agreements and the licence agreements to be entered between the Vendor Group and the Target Companies are negotiated on an arm's length basis and reflect the business plan of the Target Companies on a standalone basis, the Company considers that it is not meaningful to compare the historical amount of each component of services charged by the Vendor Group under the existing management services contracts with the proposed terms of the captioned agreements.

Notwithstanding the above, the projected reduction in management fee compared to the historical amounts paid by the Target Companies is mainly due to the following reasons:

(i) the Vendor Group incurred approximately HK$16,177,000 and HK$19,344,000 on promoting retail business and brand awareness in the general public by commercials, outdoor media and e-marketing for the year ended 31 March 2014 and 31 March 2015 respectively, of which approximately HK$3,850,000 and HK$8,957,000 were charged against the Target Companies for the year ended 31 March 2014 and 31 March 2015 respectively. The Company expected the marketing expenses required for brand building would be reduced in the future as the Company is expected to allocate more resources to underwriting and placing business where professional investors would be targeted; and

(ii) historical management fees incurred by the Target Companies included the remuneration of certain senior management of the Vendor Group for providing strategic input to the development of the Target Companies. The Company expected that after Completion, the Target Companies would utilize its own senior management to supervise the development of the Target Companies and would no longer require the Vendor Group to provide such input.

The Company will monitor such continuing connected transactions in accordance with the Company's internal control procedure and will comply with the relevant requirements of the GEM Listing Rules.

The Management Services Agreements

The principal terms of the Management Services Agreements are set out below:

Target A Management Services Agreement

Parties:	(1) SIFGMS; and (2) Target A
Term:	The period commencing from the Completion Date to 31 March 2017 (both dates inclusive)
Scope of Management Services:	(i) Provision of IT equipment and IT support services, accounting services, human resources support services as well as administrative services. SIFGMS shall allocate staff to support the services under the Target A Management Services Agreement and specific IT equipment for use by Target A only; and (ii) participation in the marketing events organised by SIFGMS and SIFGA at the sole and absolute discretion of Target A. The marketing events organised by the Vendor Group shall include but not limited to seminars, conferences, exhibitions and other marketing commercials.
Fee:	*For Management Services:* HK$112,500 per month. The monthly fee was determined between the parties after arm's length negotiations with reference to (i) the estimated expenses to be incurred by the relevant departments of SIFGMS, including the IT department and administrative services department in providing the Management Services to Target A and (ii) the service fee charged by independent third party IT and accounting services providers. The fee for management services shall be payable monthly in arrears within 15 days after the end of each month.

Fee payable for participation in any marketing event:

The fee payable by Target A for the participation in marketing events organised by SIFGMS shall be event-based and shall be based on the 50% of the actual expenses incurred by the Vendor Group in arranging such marketing event and as agreed by both parties. Taking into account (i) these marketing events will be joint functions to promote the wealth management business of the Vendor Group and the securities and futures business of Target A which will target similar group of high net worth retail customers and (ii) it is expected that Target A shall be allocated not less than 50% of the total air-time during such marketing event(s) to promote its products or services, the Directors consider it is reasonable to share the actual expenses incurred by the Vendor Group in arranging such market event with Target A in equal share. Target A has the right to decide whether it will join any particular function organized by the Vendor Group and organize its own marketing activities at its own discretion.

It is expected that the fee payable for participation in the market events for the twelve months following Completion will not exceed HK$3,000,000 in total. The management of Target A will assess the merit of each marketing event organised by SIFGMS in deciding whether to participate in such events. SIFGMS will provide a cost list in respect of the relevant activities. In case the expected fee payable to SIFGMS for joining any particular marketing event exceeds HK$500,000, Target A will obtain quote(s) on comparable marketing activities organized by independent third party(ies) which will form the basis for evaluating the reasonableness of the fees charged by SIFGMS to ensure that the cost incurred is fair and reasonable. As part of the normal budgetary control process and monthly reporting of the Target Companies, Target A will submit monthly report to the Company which shall include details of the participation by Target A of the marketing activities organized by the Vendor Group, together with the relevant costs incurred by Target A and the cost list provided by the Vendor Group with respect to such marketing activity to make sure that the aggregate fee payable by Target A would not exceed HK$3,000,000.

The fee for participation in the marketing event shall be payable within 15 days after the receipt of the invoice from the Vendor Group. It is expected that the invoice will be issued by the Vendor Group within 45 days after the relevant marketing event(s).

Termination: Either party shall be entitled to terminate the Target A Management Services Agreement by not less than two months' notice in writing

	Expected maximum annual aggregate fees payable under the Target A Management Services Agreement (the "Target A Management Services Annual Caps") for the year ending 31 March 2016	2017
Provision of IT equipment and IT support services as well as administrative services	HK$337,500	HK$1,350,000
Participation in the marketing event organised by SIFGMS and SIFGA	HK$200,000	HK$2,800,000

Target B Management Services Agreement

Parties:	(1) SIFGMS; and (2) Target B
Term:	The period commencing from the Completion Date to 31 March 2017 (both dates inclusive)
Scope of Management Services:	Provision of IT equipment and IT support services, accounting services, human resources support services as well as administrative services. SIFGMS shall allocate staff to support the services under the Target B Management Service Agreement and specific IT equipment for use by Target B only
Fee:	HK$17,500 per month The monthly fee was determined between the parties after arm's length negotiations with reference to (i) the estimated expenses to be incurred by the relevant departments of SIFGMS, including the IT department and administrative services department in providing the Management Services to Target B and (ii) the service fee charged by independent third party IT and accounting services providers. The fee for management services shall be payable monthly in arrears within 15 days after the end of each month.
Termination:	Either party shall be entitled to terminate the Target B Management Services Agreement by not less than two months' notice in writing

	Expected maximum annual aggregate fees payable under the Target B Management Services Agreement (the "Target B Management Services Annual Caps") for the year ending 31 March 2016	2017
Target B Management Services Agreement	HK$52,500	HK$210,000

The proposed Annual Caps for the provision of IT equipment and IT support services as well as administrative services under the Management Services Agreements were determined after arm's length negotiations between the Target Companies and the Vendor Group with reference to the following factors:

(i) the expected resources (including equipment and staff) to be allocated to the Target Companies by the Vendor Group in relation to the provision of the Management Services. In the event that SIFGMS does not provide administrative services, it is estimated that the Target Companies have to employ three accounting staff, three IT staff and one administrative staff to carry out the necessary management, administrative and IT work as provided under the Management Services Agreements;

(ii) the prevailing market rate for engaging third party IT and accounting service providers for the provision of the Management Services and organizing the marketing events. The Company has obtained quotations from two groups of independent service providers with respect to the management services to be provided by SIFGMS, which offered monthly service fee of HK$166,208 and HK$170,000 respectively, which is higher than the total monthly fees payable by the Target Companies to SIFGMS (excluding marketing expense) under the Management Services Agreements; and

(iii) assuming Completion shall take place on 1 January 2016.

The above-mentioned service fees will be split between Target A and Target B on an approximately 86/14 basis based on the estimated operation scale of Target A and Target B.

Moreover, the proposed Annual Caps for participation in the marketing event by Target A under the Target A Management Services Agreement were determined after arm's length negotiations between Target A and the Vendor Group with reference to the following factors:

(i) the number of marketing events organized by SIFGMS and SIFGA which Target A expects to participate in;

(ii) the expected cost to be shared by Target A in joining each marketing event organized by SIFGMS and SIFGA; and

(iii) assuming Completion shall take place on 1 January 2016.

The Licence Agreements

The principal terms of the Licence Agreements are set out below:

Target A Licence Agreement 1

Parties:	(1) SIFGMS as licensor; and (2) Target A as licensee
Premises:	The office situated at 3703–08, 37/F, ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong (the "**Office 1**")
Leased area:	Approximately 4,000 sq. feet (being approximately 40% of the total gross floor area of Office 1)
Permitted use:	Office use
Term:	The period commencing from the date of Completion to 15 April 2018 (both dates inclusive)
Monthly licence fee:	HK$231,000, subject to adjustments for change in management fee and government rate charged by the landlord of Office 1. The licence fee shall be payable by Target A to SIFGMS on or before the first day of each and every calendar month during the term of the Target A Licence Agreement 1.
Termination:	Either party shall be entitled to terminate the Target A Licence Agreement 1 by not less than six months' notice in writing.

	Expected maximum annual aggregate amounts payable under the Target A Licence Agreement 1 (the "Target A Licence 1 Annual Caps") for the year ending 31 March			
	2016	**2017**	**2018**	**2019**
Target A Licence Agreement 1	HK$693,000	HK$2,922,000	HK$3,092,000	HK$145,500

Target A Licence Agreement 2

Parties:	(1) SIFGA as licensor; and (2) Target A as licensee
Premises:	The office situated at Unit 1210–1214, 12/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the "**Office 2**")
Leased area:	Approximately 1,100 sq. feet (being approximately 20% of the total gross floor area of Office 2)
Permitted use:	Office use
Term:	The period commencing from the date of Completion to 31 March 2017 (both dates inclusive)
Monthly licence fee:	HK$64,000, subject to adjustments for change in rents upon expiry of the current leases on 18 August 2016, management fee and government rate charged by the landlord but in any event not exceeding HK$69,000. The licence fee shall be payable by Target A to SIFGA on or before the first day of each and every calendar month during the term of the Target A Licence Agreement 2.
Termination:	Either party shall be entitled to terminate the Target A Licence Agreement 2 by not less than two months' notice in writing.

	Expected maximum annual aggregate amounts payable under the Target A Licence Agreement 2 (the "Target A Licence 2 Annual Caps") for the year ending 31 March	
	2016	**2017**
Target A Licence Agreement 2	HK$192,000	HK$805,500

Target A Licence Agreement 3

Parties:	(1) SIFGA as licensor; and (2) Target A as licensee
Premises:	The office situated at Unit 1007–1012, 10/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the "**Office 3**")
Leased area:	Approximately 500 sq. feet (being approximately 15% of the total gross floor area of Office 3)
Permitted use:	Office use
Term:	The period commencing from the date of Completion to 6 July 2017 (both dates inclusive)
Monthly licence fee:	HK$30,000, subject to adjustments for change in management fee and government rate charged by the landlord of Office 3. The licence fee shall be payable by Target A to SIFGA on or before the first day of each and every calendar month during the term of the Target A Licence Agreement 3.
Termination:	Either party shall be entitled to terminate the Target A Licence Agreement 3 by not less than two months' notice in writing.

	Expected maximum annual aggregate amounts payable under the Target A Licence Agreement 3 (the "Target A Licence 3 Annual Caps") for the year ending 31 March		
	2016	**2017**	**2018**
Target A Licence Agreement 3	HK$90,000	HK$395,000	HK$120,000

Target A Licence Agreement 4

Parties:	(1) SIFGA as licensor; and (2) Target A as licensee
Premises:	The office situated at Unit 1901, 19/F, Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Hong Kong (the "**Office 4**")
Leased area:	Approximately 1,000 sq. feet (being approximately 15% of the total gross floor area of Office 4)

Permitted use:	Office use
Term:	For the period commencing from the date of Completion to 31 March 2017 (both dates inclusive)
Monthly licence fee:	HK$20,000, subject to changes in rents upon expiry of the current leases on 18 September 2017, management fee and government rate charged by the landlord but in any event not exceeding HK$22,000. The licence fee shall be payable by Target A to SIFGA on or before the first day of each and every calendar month during the term of the Target A Licence Agreement 4.
Termination:	Either party shall be entitled to terminate the Licence Agreement by not less than two months' notice in writing.

	Expected maximum annual aggregate amounts payable under the Target A Licence Agreement 4 (the "Target A Licence 4 Annual Caps") for the year ending 31 March	
	2016	**2017**
Target A Licence Agreement 4	HK$61,500	HK$251,500

Target B Licence Agreement

Parties:	(1) SIFGMS as licensor; and (2) Target B as licensee
Premises:	The Office 1 situated at 3703–08, 37/F ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong
Leased area:	Approximately 500 sq. feet (being approximately 5% of the total gross floor area of Office 1)
Permitted use:	Office use
Term:	The period commencing from the date of Completion to 15 April 2018 (both dates inclusive)

Monthly licence fee:	HK$25,000, subject to adjustments for change in management fee and government rate charged by the landlord of office 1. The licence fee shall be payable by Target B to SIFGMS on or before the first day of each and every calendar month during the term of the Target B Licence Agreement.
Termination:	Either party shall be entitled to terminate the Management Services Agreement by not less than two months' notice in writing.

	Expected maximum annual aggregate amounts payable under the Target B Licence Agreement (the "Target B Licence Annual Caps") for the year ending 31 March			
	2016	**2017**	**2018**	**2019**
Target B Licence Agreement	HK$75,000	HK$315,000	HK$330,000	HK$17,500

The licence fee payable under the Licence Agreements and the proposed Annual Caps under the Licence Agreements were determined after arm's length negotiations between the Target Companies and the Vendor Group with reference to the following factors:

(i) the prevailing market rent of similar office premises with similar rentable area to be licenced to the Target Companies under the Licence Agreements;

(ii) the rental fee and management service charges payable by SIFGA or SIFGMS under the prevailing tenancy agreement entered into with the landlord of the respective Offices. The monthly rental fee and management services charges payable by the SIFGA or SIFGMS to the respective landlords are:

Properties	**Monthly Rent**	**Monthly Management Service Charges**
Office 1	HK$536,000	HK$74,970
Office 2	HK$303,000	HK$38,120
Office 3	HK$411,850	HK$49,010
Office 4	HK$149,520	HK$20,292

Note: including air conditioning charges.

In determining the licence fee for Office 2 and Office 3, the Company also benchmarked the licence fee per sq. feet of Office 2 and Office 3 with the prevailing market rent of similar offices within the same building;

(iii) the size of the floor to be used by the Target Companies as set out under the Lease Agreements;

(iv) the standard of the leasehold improvements, furnitures and office equipment provided; and

(v) assuming Completion shall take place on 1 January 2016.

INFORMATION OF THE TARGET COMPANIES

As at the Latest Practicable Date, the Target Companies were 100% owned by the Vendor.

Target A is principally engaged in the provision of type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO in Hong Kong, while Target B is principally engaged in the provision of type 4, (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong. During the two years ended 31 March 2015, Target B held the entire equity interest in Up Way Global Equity Growth Fund Limited ("**Up Way**"), a company incorporated in the Cayman Islands with limited liability. Up Way was principally engaged in investment business and had been deregistered on 31 March 2015. As Up Way has not generated any revenue during the two years ended 31 March 2015, the deregistration of Up Way would reduce the administrative cost of the group and has no material impact on the business of Target B.

Financial information of Target A

Set out below is a summary of the key financial data of Target A based on the audited financial statements of Target A for the years ended 31 March 2014 and 31 March 2015 and the unaudited management accounts of Target A for the period from 1 April 2015 to 30 June 2015 as provided by the Vendor which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 31 March 2014	**For the year ended 31 March 2015**	**For the period from 1 April 2015 to 30 June 2015**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	**3,687**	**13,240**	**8,450**
Net profit/(loss) before taxation	(24,802)	(34,293)	(4,443)
Net assets	68,102	63,809	59,367

Financial information of Target B

Set out below is a summary of the key financial data of Target B based on the audited consolidated financial statements of Target B for the years ended 31 March 2014 and 31 March 2015 and the unaudited management accounts of Target B for the period from 1 April 2015 to 30 June 2015 as provided by the Vendor which were prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 31 March 2014	For the year ended 31 March 2015	For the period from 1 April 2015 to 30 June 2015
	HK$'000	*HK$'000*	*HK$'000*
Revenue	–	–	–
Net profit/(loss) before taxation	(831)	(1,316)	(131)
Net assets	4,214	3,898	3,767

Overview of Hong Kong Financial Markets

Hong Kong is one of the most active securities market in the world. There were 1,808 companies listed on the Stock Exchange of Hong Kong Limited as of July 2015, with a total market capitalization of more than HK$26.3 trillion. Out of the 1,808 companies, 919 were mainland companies listed in Hong Kong, representing market capitalization of HK$16.3 trillion.

In the first 7 months of 2015, HK$144 billion was raised through IPOs, compared to HK$30 billion in 2014, with Hong Kong ranking second in the world after NYSE. Large IPOs in the first half of 2015 included Huatai Securities, GF Securities and Legend Holding.

Investors in Hong Kong securities market are well-diversified. As per a survey conducted by Stock Exchange of Hong Kong Limited during 2013/14, overseas investors accounted for 39% of total market turnover value while local investor contributed 45%. Institutional and retail investors took up 58% and 25% of the market turnover value respectively.

Commission income and placing fees are main sources of brokerage income, while management fee and performance bonus are main income for asset management. As a doorstep to mainland Chinese market, opportunities are huge; yet with foreign, Chinese and local players in the market, competition is also intense.

Hong Kong brokerage business was previously dominated by leading international houses such as Goldman Sachs, Morgan Stanley, UBS, Credit Swiss, Barclays, etc. In recent years, especially with the launch of "Shanghai-Hong Kong Stock Connect" in late 2014, more sizable mainland Chinese houses such as CITIC, Haitong, GF Securities extend their business in Hong Kong. They tend to provide full range of services. Smaller local market players usually compete with market differentiation, competitive pricing, efficient platform and sufficient financing, etc.

Management Discussion and Analysis of Target Companies

The Accountants' Report of the Target Companies for the years ended 31 March 2013, 2014, 2015 and three months ended 30 June 2015 was set out in Appendix II and III to this circular. Set out below is the management discussion and analysis of the Target Companies for the corresponding period:

Target A

Business Model

Target A is principally engaged in the provision of type 1 (dealing in securities), type 2 (dealing in future contracts) and type 4 (advising on securities) regulated activities under the SFO in Hong Kong. It provide services in securities brokering, dealing in futures contracts, funds and bonds as well as provision of margin financing to qualified customers through its branch network and licensed representatives. Most of the licensed representatives are on commission basis and provide professional services to retail customers. As Target A becomes more established, it places more emphasis on placing and underwriting activities as well as institutional investors as the key driver for future growth.

Review of Business

During the past three years, Target A has grown significantly through launching of new products and expansion of its sales term. With initial focus on securities brokerage, it expanded its product range to services in dealings in futures, funds and bonds as well as underwriting and placing activities. The number of licensed representatives of Target A increased from 13 as at 31 March 2013 to 84 as at 30 June 2015. As at 30 June 2015, it has a total of over 1,000 clients. Upon Completion, the Target A will enjoy stronger capital base and increased capital raising capabilities.

Turnover

Target A had revenue for the three financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 of approximately HK$2,577,000, HK$3,687,000, HK$13,240,000, HK$2,086,000 and HK$8,450,000 respectively, which represented the revenue generated by income from securities broking, dealings in futures, dealings in funds and bonds as well as interest income from margin clients.

The revenue increased by approximately 43.1% for the year ended 31 March 2014, as compared to the year ended 31 March 2013. The increase was mainly due to the launch of new services in dealings in futures, funds and bonds.

The revenue increased by approximately 259.1% for the year ended 31 March 2015, as compared to the year ended 31 March 2014. The increase was mainly due to the increase in income from securities broking as the company begun to engage in underwriting and placing of shares.

The revenue increased by approximately 305.1% for the three months ended 30 June 2015 as compared to the three months ended 30 June 2014. The growth in revenue was due to the increase in revenue generated from underwriting and placing activities as well as improved market environment following the introduction of Shanghai-Hong Kong Stock Connect (滬港通) in late 2014.

Other revenue

The company had recorded other revenue for the financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 of approximately HK$58,000, HK$74,000, HK$385,000, HK$29,000 and HK$214,000 respectively which mainly comprised of management fee income and sundry income.

Administrative expenses

The administrative expenses incurred by Target A during the financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 of approximately HK$11,512,000, HK$28,475,000, HK$47,858,000, HK$11,105,000 and HK$13,025,000 respectively which mainly comprised of staff costs, fee for management services provided by the Vendor Group and trading related expenses.

The administrative expenses increased by approximately 147.4% for the year ended 31 March 2014 as compared to the year ended 31 March 2013 due mainly to the increase in staff costs and management services fee.

The administrative expenses increased by approximately 68.1% for the year ended 31 March 2015 as compared to the year ended 31 March 2014. The increase was mainly due to higher trading related expenses following increase in revenue, higher staff costs and management services fees. The increase in management services fee was partly driven by increase in the number of branches as well as increase in marketing activities.

The administrative expenses increased by approximately 17.3% for the three months ended 30 June 2015 as compared to the three months ended 30 June 2014. This was mainly due to increase in variable costs associated with increase in revenue and increase in management fee charged by the Vendor Group.

Finance costs

The company had recorded finance costs for the financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 of approximately HK$0, HK$88,000, HK$60,000, HK$0 and HK$82,000 respectively.

Profit/(loss) for the year

During the three financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015, Target A recorded loss of approximately HK$8,877,000, HK$24,802,000, HK$34,292,000, HK$8,990,000 and HK$4,443,000 respectively.

The increased in loss for the year during the reported period was mainly due to increase in staff costs, marketing expenses and other expenses for expansion of the business.

Liquidity and financial resources

As at 31 March 2013, 2014, 2015 and 30 June 2015, Target A had net current assets of approximately HK$29,311,000, HK$65,322,000, HK$63,104,000, and HK$58,662,000 respectively. The current ratio (being current assets over current liabilities) as at 31 March 2013, 2014, 2015 and 30 June 2015 were approximately 2.92 times, 1.43 times, 1.38 times, and 1.38 times respectively. The decrease in current ratio was mainly due to an increase in trade and other payables as the company's business increased.

As at 31 March 2013, 2014, 2015 and 30 June 2015, Target A had net assets of approximately HK$32,904,000, HK$68,102,000, HK$63,809,000, and HK$59,367,000 respectively. The debt ratio (being total liabilities over total assets) as at 31 March 2013, 2014, 2015 and 30 June 2015 were approximately 31.6%, 68.8%, 72.3%, and 78.0% respectively. The increase in debt ratio was mainly due to the increase in current liabilities as the company's business increased.

As at 31 March 2013, 2014, 2015 and 30 June 2015, the bank balance of Target A amounted to approximately HK$28,855,000, HK$61,303,000, HK$26,658,000, and HK$53,070,000 respectively which were mainly denominated in Hong Kong dollars. As at 31 March 2013, 2014, 2015 and 30 June 2015, the outstanding bank borrowings of the company amounted to approximately HK$0, HK$0, HK$130,110,000, and HK$0 respectively.

Capital structure

As at 30 June 2015, the issued and paid up capital of Target A was HK$140,000,000 divided into 140,000,000 shares. Movements in the share capital of Target A are reflected in note 24 to the financial statements of Target A in Appendix II.

Gearing ratio

As at 31 March 2013, 2014, 2015 and 30 June 2015, the gearing ratios of Target A which were calculated as bank borrowings divided by total equity were 0.0%, 0.0%, 203.8%, and 0% respectively. The bank borrowings as at 31 March 2015 were related to provision of services to customers for subscribing to an initial public offering and pledged by the subscribed shares for the captioned initial public offering.

Treasury policies

During the reported period, the company usually financed its working capital through internal funds and bank borrowings. To manage liquidity risk, the management of Target A closely monitors the liquidity position to ensure that the liquidity structure of the company's asset liabilities and commitments can meet its funding requirements. Furthermore, management will monitor Target A's liquid capital to ensure it will meet the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules.

Credit risk

Target A has a credit policy in place and the exposure to these credit risks are monitored on an ongoing basis. Normally, Target A does not obtain collateral from cash clients. Margin clients are required to pledge securities collateral to Target A in order to obtain credit facilities for securities trading. The amount of credit facility granted to them is determined by the discounted value of securities accepted by the company's credit committee. Moreover, the company has to comply with the relevant requirements promulgated by the Securities and Futures Commission.

As at 31 March 2013, 2014, 2015 and 30 June 2015, the total market value of securities pledged as collateral in respect of loans to margin clients were approximately HK$44,768,000, HK$178,640,000, HK$1,478,177,000, and HK$606,263,000 respectively. In terms of concentration of credit risk, trade and other receivables due from Target A's largest client represented approximately 33%, 13%, 10%, and 12% of the total outstanding trade and other receivables as at 31 March 2013, 2014, 2015 and 30 June 2015 respectively.

Foreign exchange exposure

Target A was exposed to currency risk primarily through trading activities which gave rise to receivables, payables and cash balances that involve foreign currency other than Hong Kong dollars. As most of the company's transactions were carried out in Hong Kong dollars and United Stated dollars and the Hong Kong dollars are pegged to United States dollars, the impact of foreign exchange fluctuations on Target A were generally minimal. Therefore, it did not have any foreign currency hedging policy. Target A does not use financial instruments for hedging purpose.

Employees and remuneration policies

As at 30 June 2015, the total number of employees of Target A was 24. The staff costs for the three financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 were approximately HK$3,644,000, HK$8,655,000, HK$9,291,000, HK$2,979,000 and HK$1,825,000 respectively.

As at 30 June 2015, the total number of licensed representatives of Target A was 84, out of which 8 licensed representatives were full-time employees. Target A has entered into agency agreement with the remaining 76 licensed representatives, under which the licensed representatives shall receive commissions based on their own performance.

The company participates in the Mandatory Provident Fund scheme established under the Mandatory Provident Fund Ordinance in December 2000.

Contingent liabilities

As at 30 June 2015, Target A did not have any contingent liabilities.

Pledge of assets

As at 31 March 2015, Target A pledged the subscribed shares in the initial public offering for which the HK$130 million bank loan is borrowed. The bank loan was subsequently fully repaid. Save from the above, no assets of the company were pledged as at 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015.

Target B

Business Model

Target B is principally engaged in the provision of type 4 (advising on securities), type 5 (advising on future contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong. It targets to provide asset management services to professional investors with particular interests in the capital markets in the Greater China region.

Review of Business

Target B has been evaluating the feasibility of launching the asset management services in the past three years. The takeover of Target B by the Company will place the Target B in even stronger competitive position as it can enjoy better contacts with potential customers.

Turnover

During the reported period, Target B had not generated any revenue from its operations.

Other revenue

Target B had recorded other revenue for the financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 of approximately HK$0, HK$15,000, HK$16,000, HK$16,000 and HK$0 respectively which mainly comprised of sundry income.

Administrative expenses

The administrative expenses incurred by Target B during the financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 of approximately HK$165,000, HK$846,000, HK$1,332,000, HK$445,000 and HK$130,000 respectively which mainly comprised of staff costs and fee for management services provided by the Vendor Group.

The administrative expenses increased by approximately HK$681,000 for the year ended 31 March 2014 as compared to the year ended 31 March 2013 due mainly to the increase in staff costs by HK$454,000.

The administrative expenses increased by approximately HK$486,000 for the year ended 31 March 2015 as compared to the year ended 31 March 2014. The increase was mainly due to increase in management services fee of approximately HK$994,000 and decrease in staff costs by HK$454,000.

The administrative expenses reduced by approximately HK$315,000 for the three months ended 30 June 2015 as compared to the same period in 2014 due to lower management fee charged by the Vendor Group.

Profit/(loss) for the year

During the three financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015, Target B recorded loss of approximately HK$165,000, HK$831,000, HK$1,316,000, HK$429,000 and HK$130,000 respectively. The increase in recorded loss reflected the input for assessing the opportunities in the fund management market. Such costs were charged to Target B by way of management services fee paid to the Vendor Group.

Liquidity and financial resources

As at 31 March 2013, 2014, 2015 and 30 June 2015, Target B had net assets of approximately HK$402,000, HK$4,214,000, HK$3,898,000, and HK$3,768,000 respectively. The company did not have any borrowings during the reported period.

Capital structure

As at 30 June 2015, the issued and paid up capital of Target B was HK$6,500,000 divided into 6,500,000 shares. Movements in the share capital of Target B are reflected in note 17 to the financial statements of Target B in Appendix III.

Gearing ratio

As at 31 March 2013, 2014, 2015 and 30 June 2015, Target B had no outstanding borrowings and as a result, there is no gearing ratio for Target B for the aforementioned period.

Foreign exchange exposure

The cash and bank balances of Target B were denominated in Hong Kong dollars while the business operation had also been primarily conducted in Hong Kong dollars. Hence, the company did not have any foreign currency hedging policy nor use any financial instruments for hedging purpose.

Employees and remuneration policies

As at 30 June 2015, Target B did not have any employee. The staff costs for the three financial years ended 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015 were approximately HK$0, HK$454,000, HK$0, HK$0 and HK$0 respectively.

Target B participates in the Mandatory Provident Fund scheme established under the Mandatory Provident Fund Ordinance in December 2000.

Contingent liabilities

As at 30 June 2015, Target B did not have any contingent liabilities.

Pledge of assets

No assets of the Target B were pledged as at 31 March 2013, 2014, 2015 and each of the three months ended 30 June 2014 and 2015.

Future plans for the Target Companies

As at the Latest Practicable Date, save for the Subscription, both Target A nor Target B had no future plan for material investment and capital assets and new business.

The Target Companies have seen a steady progress in its businesses and operations for the period covered under the Accountants' Reports and believe that the proposed Acquisition will offer it greater ability to raise capital and financing. With the additional resources, the Target Companies expect to allocate more resources towards underwriting, placement and plan to launch fund management services which mainly target professional investors in Hong Kong, Macau and the PRC in the next twelve months following Completion. As at the Latest Practicable Date, save for the Subscription as contemplated under the Acquisition Agreement, the Target Companies had no significant capital commitments.

Upon Completion, Mr. Lui Man Wah, the Chief Executive Officer and Executive Director of the Company will be responsible for supervising the Target Companies. Prior to joining the Company, Mr. Lui has served as Institutional Sales Manager of the Securities Department of Cinda International Limited between December 2009 and October 2010 and as the Vice President of the Securities Department of Polaris Securities (HK) Limited between December 2008 and June 2009. Mr. Lui will work closely with the existing management team of the Target Companies to grow the businesses. At the same time, the Company will recruit additional experienced fund managers for launching the fund management services.

FINANCIAL EFFECT OF THE ACQUISITION

Upon Completion, the entities comprising Target Companies will become wholly-owned subsidiaries of the Company and results of the Target Companies will be consolidated into the Enlarged Group's results. The Directors consider that the Acquisition will bring positive contribution to the earnings of the Enlarged Group but the quantification of such contribution will depend on the future performance of the Target Companies.

Based on the unaudited pro forma financial information of the Enlarged Group set out in Appendix IV to this circular and the bases and assumptions taken into account in preparing such unaudited pro forma financial information, the total assets of the Group would increase from approximately HK$589.7 million to approximately HK$876.8 million; and its total liabilities would increase from approximately HK$412.0 million to approximately HK$699.1 million, as a result of the Acquisition. The details of the financial effect of the Acquisition on the financial position and results of the Group together with the bases and assumptions taken into account in preparing the unaudited pro forma financial information are set out, for illustration purpose only, in Appendix IV to this circular.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company is an investment holding company. The Group is principally engaged in provision of computer software services and equine services.

The Directors consider that the Transactions would enable the Company to diversify its business segments and enhance future Shareholders' return after the Acquisition, as well as to broaden its portfolio of services offered under the financial services business segment through direct investment in and hands-on management and operation of the Target Companies. The Management Services Agreements and the Licence Agreements allow the Target Companies to continue its existing business operations during the transition period immediately following Completion.

Having considered the factors as mentioned above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Acquisition Agreement (including the Consideration), the Management Services Agreements and the Licence Agreements (including the Annual Caps) are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Company will continue to evaluate the performance of all its subsidiaries and potential opportunities with a view of further enhancing Shareholders' return. As at the Latest Practical Date, there is no agreement, arrangement, understanding, about any disposal of the Company's existing business.

Mr. Cheng Ting Kong, an executive Director and the chairman of the Board who is an associate of the Vendor and an executive Director, has a material interest in the Transactions and has abstained from voting on the relevant Board meeting for approving the Agreements and the transactions contemplated thereunder.

GEM LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, the Vendor is owned as to 50% by Mr. Chau Cheok Wa and as to 50% by Ms. Yeung So Mui, the spouse of Mr. Cheng Ting Kong, an executive Director and the chairman of the Company. Each of Mr. Chau Cheok Wa and Mr. Cheng Ting Kong is interested in approximately 47.14% of the issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company. Accordingly, the Acquisition shall constitute a connected transaction while the Management Services Agreements and the Licence Agreements shall constitute continuing connected transactions on the part of the Company under the GEM Listing Rules.

As one or more of the relevant applicable percentage ratios calculated in accordance with the GEM Listing Rules in respect of the Transactions in aggregate exceeds 25% but less than 100%, the Acquisition constitutes a major and connected transaction on the part of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements. As continuing connected transactions on the part of the Company, the Management Services Agreements and the Licence Agreements are subject to announcement, reporting, annual review and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

As Completion is subject to the fulfilment of the conditions precedent set out in the Acquisition Agreement, the Transactions may or may not be completed. Shareholders and potential investors should exercise caution when dealing in the Shares.

EGM

Set out on pages EGM-1 to EGM-4 of this circular is a notice convening the EGM which will be held at Units 2414–2418, 24th Floor, China Merchants Tower, Shun Tak Centre, 168–200

Connaught Road Central, Hong Kong on Monday, 23 November 2015 at 11:00 a.m. during which resolutions will be proposed to approve, among others, the Agreements and the transactions contemplated thereunder.

The Acquisition is subject to, among others, the approval by the Independent Shareholders at the EGM. Each of the Vendor, Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Chau Cheok Wa and their respective associates is required to abstain from voting on the proposed resolution(s) to approve the Agreements and the transactions contemplated thereunder at the EGM. Save for the aforesaid and to the best knowledge of the Company, as at the Latest Practicable Date, no other Shareholder has material interest in the Transactions and therefore no other Shareholder is required to abstain from voting on the proposed resolution(s) to approve the Agreements and the transactions contemplated thereunder at the EGM.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to attend and vote at such meeting, you are requested to complete and return the enclosed form of proxy to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Wang Zhigang, being all independent non-executive Directors, has been formed to advise the Independent Shareholders as to whether the terms of the Agreements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote, taking into account the recommendations on the same to be given by the Independent Financial Adviser.

Messis Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the terms of the Agreements and the transactions contemplated thereunder.

The Independent Board Committee and the Directors, having taken into account the advice of the Independent Financial Adviser, consider that the each of the Agreements and the transactions contemplated respectively thereunder are fair and reasonable so far the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole, and accordingly recommends the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the EGM for approving the Agreements and the transactions contemplated respectively thereunder.

The text of the letter from the Independent Board Committee is set out on page 37 of this circular and the text of the letter from Messis Capital containing its advice is out on pages 38 to 65 of this circular.

RECOMMENDATION

The Board (including the independent non-executive Directors), having taken into account of the reasons set out in the paragraphs headed "Reasons for and benefits of the Transactions" above and the recommendations of the Independent Board Committee and Messis Capital, considers that the Agreements and the transactions contemplated respectively thereunder are on normal commercial terms which are fair and reasonable so far as the Independent Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolutions which will be proposed at the EGM for approving the Agreements and the transactions contemplated thereunder.

ADDITIONAL INFORMATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on page 37 of this circular which contains its views in relation to the Agreements and the transactions contemplated thereunder; and (ii) the letter from Messis Capital set out on pages 38 to 65 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in relation to the Agreements and the transactions contemplated thereunder and the principal factors and reasons considered by it in arriving its opinions.

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

By order of the Board
Sun International Resources Limited
Cheng Ting Kong
Chairman

太陽國際資源有限公司
SUN INTERNATIONAL RESOURCES LIMITED

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8029)

4 November 2015

To the Independent Shareholders

Dear Sir or Madam,

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SUN INTERNATIONAL SECURITIES LIMITED AND SUN INTERNATIONAL ASSET MANAGEMENT LIMITED; AND (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MANAGEMENT SERVICES AGREEMENTS AND LICENCE AGREEMENTS

We refer to the circular of the Company to the Shareholders dated 4 November 2015 (the "**Circular**"), in which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Agreements (including the Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned.

Having taken into account the terms of the Agreements and the advice from Messis Capital, we consider that the terms of the Agreements and the transactions contemplated thereunder (including the Annual Caps) are on normal commercial terms, in the ordinary course of business of the Group and are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Agreements and the transactions contemplated thereunder (including the Annual Caps). The letter from Messis Capital containing its recommendation to us and the principal factors and reasons taken into the account by Messis Capital in arriving at such recommendations is set out on pages 38 to 65 of this Circular.

Yours faithfully,
the Independent Board Committee

Mr. Chan Tin Lup, Trevor	**Mr. Tou Kin Chuen**	**Mr. Wang Zhigang**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

大有融資有限公司
MESSIS CAPITAL LIMITED

4 November 2015

To: The Independent Board Committee and the Independent Shareholders of Sun International Resources Limited

Dear Sir/Madam,

(1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF SUN INTERNATIONAL SECURITIES LIMITED AND SUN INTERNATIONAL ASSET MANAGEMENT LIMITED; AND (2) CONTINUING CONNECTED TRANSACTIONS IN RELATION TO MANAGEMENT SERVICES AGREEMENTS AND LICENCE AGREEMENTS

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transactions, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company (the "**Circular**") to the Shareholders dated 4 November 2015, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless the context otherwise requires.

On 19 August 2015, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Acquisition Agreement pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, (i) the Target A Sale Shares, representing the entire issued share capital of Target A, and (ii) the Target B Sale Shares, representing the entire issued share capital of Target B at the Consideration of HK$147,300,000 (subject to adjustment), which shall be satisfied by the Purchaser by procuring the Company to issue the Promissory Note to the Vendor upon Completion.

Pursuant to the Acquisition Agreement, upon Completion, the Vendor Group shall enter into the Management Services Agreements with each of the Target Companies, pursuant to which (i) the Vendor Group shall provide Management Services to the Target Companies; and (ii) Target A shall be permitted to participate in the marketing events organised by the Vendor Group at the sole and absolute discretion of Target A. In addition, the Vendor Group shall enter into the Licence Agreements with each of the Target Companies, pursuant to which the Vendor Group shall grant a licence to the Target Companies to use the offices.

As at the Latest Practicable Date, the Vendor is owned as to 50% by Mr. Chau Cheok Wa and as to 50% by Ms. Yeung So Mui, the spouse of Mr. Cheng Ting Kong, an executive Director and the chairman of the Company. Each of Mr. Chau Cheok Wa and Mr. Cheng Ting Kong is a substantial shareholder and is interested in approximately 47.14% of the issued share capital of the Company. Accordingly, the Vendor is a connected person of the Company pursuant to Chapter 20 of the GEM Listing Rules. The Acquisition therefore constitutes a connected transaction while the Management Services Agreements and the Licence Agreements constitute continuing connected transactions on the part of the Company under the GEM Listing Rules. As one or more of the relevant applicable percentage ratios calculated in accordance with the Chapter 19 of GEM Listing Rules in respect of the Transactions in aggregate exceeds 25% but less than 100%, the Acquisition also constitutes a major transaction on the part of the Company under the GEM Listing Rules. Therefore, the Transactions are subject to the reporting, announcement and Independent Shareholders' approval requirements. The Acquisition is subject to, among others, the approval by the Independent Shareholders at the EGM. Each of the Vendors, Mr. Cheng Ting Kong, Ms. Yeung So Mui, Mr. Chau Cheok Wa and their respective associates is required to abstain from voting on the proposed resolution(s) to approve the Agreements and the Transactions contemplated thereunder at the EGM.

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Chan Tin Lup, Trevor, Mr. Tou Kin Chuen and Mr. Wang Zhigang, has been established to advise the Independent Shareholders as to whether the Transactions are fair and reasonable so far as the Independent Shareholders are concerned and in the interests of the Company and the Independent Shareholders as a whole.

We, Messis Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to (i) whether the Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole; and (ii) how the Independent Shareholders should vote in respect of the proposed resolutions relating to the Transactions at the EGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company for any transaction.

Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR ADVICE

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Company, the Directors and the management of the Company (the "**Management**"). We have assumed that all information, representations and opinions contained or referred to in the Circular, which have been provided by the Company, the Directors and the Management and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been reasonably arrived at after due and careful consideration and there are no other material facts not contained in the Circular the omission of which would make any statement in the Circular misleading. We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion.

We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group, the Vendor and their respective associates.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Transactions and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion to the Independent Board Committee and the Independent Shareholders in respect of the Transactions, we have taken into consideration the following principal factors and reasons:

1. Background and financial information of the Group

The Company is an investment holding company. The Group is principally engaged in provision of computer software services and equine services. A summary of the audited financial information of the Group for the financial years ended 31 March 2014 and 31 March 2015, as extracted from the Company's annual report 2015 (the "**Annual Report 2015**"), is set out as below:

Table 1: Consolidated statement of profit or loss and other comprehensive income of the Group

	For the year ended 31 March		
	2014	**2015**	**Change**
	HK$	*HK$*	*%*
	(Restated)		
Revenue			
Equine services income	55,716,082	99,382,152	78.37
Computer software solution and services income	101,179,227	47,765,541	(52.79)
Entertainment operations	2,170,432	–	N/A
Hotel services income*	24,835,909	4,145,493	(83.31)
Mining services income*	3,694,383	–	N/A
Total revenue	187,596,033	151,293,186	(19.35)
(Loss) before taxation	(60,278,693)	(395,291,621)	555.77
Profit/(loss) for the year from continuing operations	65,398,940	(396,473,786)	N/A
(Loss) for the year from discontinued operations, net of income tax	(619,367,688)	(7,385,346)	(98.81)
(Loss) for the year attributable to owners of the Company	(338,869,482)	(427,905,297)	(26.27)

* *denotes discontinued operations*

Table 2: Consolidated statement of financial position of the Group

	As at 31 March		
	2014	**2015**	**Change**
	HK$	*HK$*	*%*
Non-current assets	665,576,352	308,135,110	(53.70)
Current assets	308,630,800	281,556,970	(8.77)
Current liabilities	265,590,109	191,005,600	(28.08)
Non-current liabilities	127,093,901	221,000,000	73.89
Net assets	581,523,142	177,686,480	(69.44)
Equity attributable to owners of the Company	596,317,005	164,571,485	(72.40)

As shown above in Table 1, the Group's total revenue decreased from approximately HK$187.6 million for the financial year ended 31 March 2014 to approximately HK$151.3 million for the financial year ended 31 March 2015, of which approximately HK$147.1 million was generated by its continuing operations. Apart from the growth of approximately 78.37% in the equine services income, the Group's income from all other operations recorded a decline. According to the Annual Report 2015, due to continuous unsatisfactory performance of hotel services business in Philippines and suspension of production of iron ores for mining business in Indonesia, the Board had made a decision to dispose of those business segments in July and December 2014 respectively.

The Group incurred a loss before taxation of approximately HK$395.3 million for the financial year ended 31 March 2015 due to the impairment adjustments arising from change in fair value of goodwill, share of losses of associates and losses of disposal of subsidiaries. The Group's continuing operations recorded a loss of approximately HK$396.5 million for the financial year ended 31 March 2015 while a profit of approximately HK$65.4 million for the financial year ended 31 March 2014. For the two financial years ended 31 March 2015, the losses from discontinued operations, net of income tax, were approximately HK$619.4 million and HK$7.4 million respectively.

Due to the impairment adjustments arising from change in fair value of goodwill, share of losses of associates and losses of disposal of subsidiaries, the Group's non-current assets dropped by approximately 53.70% from approximately HK$665.6 million as at 31 March 2014 to approximately HK$308.1 million as at 31 March 2015 while its current assets slightly decreased from approximately HK$308.6 million as at 31 March 2014 to approximately HK$281.6 million as at 31 March 2015. The Group's current liabilities decreased from approximately HK$265.6 million as at 31 March 2014 to approximately HK$191.0 million as at 31 March 2015, which was mainly due to the reduction in deposits received and deferred income. Non-current liabilities of the Group increased to approximately HK$221.0 million as at 31 March 2015 as compared to the figure of approximately HK$127.1 million as at 31 March 2014, such increase was mainly attributed to the issuance of medium-term bonds with an aggregate principal amount of approximately HK$221.0 million during the financial year ended 31 March 2015. As at 31 March 2015, the Group's net asset value amounted to approximately HK$177.7 million with equity attributable to owners of the Company of approximately HK$164.6 million.

2. Background of the Acquisition

2.1 Business and financial information of the Target Companies

As extracted from the Letter from the Board, Target A is principally engaged in the provision of type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities under the SFO in Hong Kong, while Target B is principally engaged in the provision of type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong.

The table below set forth a summary of the key financial data of Target A based on the audited financial statements of Target A for the years ended 31 March 2014 and 31 March 2015 and the unaudited management accounts of Target A for the period from 1 April 2015 to 30 June 2015 as set out in the Letter from the Board:

Table 3: Audited financial information of Target A

	For the year ended 31 March		**For the period from 1 April 2015 to 30 June**
	2014	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(unaudited)
Revenue	3,687	13,240	8,663
Net profit/(loss) before taxation	(24,802)	(34,293)	(4,427)
Net assets	68,102	63,809	59,381

For the two years ended 31 March 2015, Target A recorded revenue of approximately HK$3.7 million and HK$13.2 million respectively, with net loss before taxation of approximately HK$24.8 million and HK$34.3 million respectively. The net assets of Target A as at 31 March 2015 was approximately HK$63.8 million, representing a decrease of approximately HK$4.3 million as compared to the amount of approximately HK$68.1 million as at 31 March 2014. As at 30 June 2015, the net assets of Target A was approximately HK$59.4 million.

The table below set forth a summary of the key financial data of Target B based on the audited financial statements of Target B for the years ended 31 March 2014 and 31 March 2015 and the unaudited management accounts of Target B for the period from 1 April 2015 to 30 June 2015 as set out in the Letter from the Board:

Table 4: Audited financial information of Target B

	For the year ended 31 March		For the period from 1 April 2015 to 30 June
	2014	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	(audited)	(unaudited)
Revenue	–	–	–
Net profit/(loss) before taxation	(831)	(1,316)	(131)
Net assets	4,214	3,898	3,767

For the two years ended 31 March 2015, Target B did not record any revenue, yet net loss before taxation of approximately HK$0.8 million and HK$1.3 million respectively. The net assets of Target B as at 31 March 2015 was approximately HK$3.8 million, representing a decrease of approximately HK$0.3 million as compared to the amount of approximately HK$4.2 million as at 31 March 2014. As at 30 June 2015, the net assets of Target B was approximately HK$3.8 million.

2.2 Reasons for and benefit of the Acquisition

As stated in the Letter from the Board, the Directors consider that the Transactions would enable the Company to diversify its business segments and enhance future Shareholders' return after the Acquisition, as well as to broaden its portfolio of services offered under the financial services business segment through direct investment in and hands-on management and operation of the Target Companies.

According to the Annual Report 2015, we noted that "The board has been actively seeking opportunities to diversify the business scope and broaden the revenue based of the Group". Given that the Group has disposed the business segments in relation to hotel services and mining services during the financial year ended 31 March 2014, the Directors advised that the Group needs to seek for potential investment opportunities to broaden its income stream. Upon enquiring with the Company, we are given to understand that the Directors consider that acquiring the Target Companies, of which Target A currently holds type 1, type 2 and type 4 licences and Target B currently holds type 4, type 5 and type 9 licences for regulated activities under the SFO in Hong Kong, would save the time and costs as compared to setting up a new company to engage in similar business. Under the SFO, any corporation carrying on regulated activities has to be licensed with the SFC. To this end, the applicant is required, among other things, to maintain the minimum paid-up capital and liquid capital for each type of regulated activities and appoint not less than two responsible officers to directly supervise the conduct of each type of regulated activities. If the Company had decided to set up a new company itself, it is anticipated that substantial amount of time and efforts would be applied for the required licenses for carrying on the business.

Furthermore, there is no guarantee that the Company will be able to obtain such licenses even after spending substantial amount of time and effort. As the Target Companies are the licensed corporation under the SFO, we consider that the Acquisition (vis-à-vis setting up a new company by itself) would minimise any risk of the Group being unable to obtain any license by itself and ensure that such business would be able to operate without any disruption, and therefore is in the interest of the Group and the Shareholders.

In light of the above and since it is the strategy of the Company to diversity its business, we concur with the Directors' view that the Acquisition would allow the Company to pursue its business diversification strategy by entering into the financial services business segment so as to further enhance its revenue sources as well as to bring positive return to the Shareholders.

2.3 Prospectus and outlook of the Target Companies

The Target Companies are principally engaged in the provision of type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the SFO in Hong Kong. Therefore, we have researched on the information from the public domain with respect to the prospect of the Hong Kong's stock market and the global economic outlook.

According to the *"Hang Seng Indexes 2014 Year-End Report"* published by the Hang Seng Indexes Company Limited, the Hang Seng Index rose slightly by 1.3% in 2014 from 23,306.39 at close of market on 31 December 2013 to 23,605.04 at close of market on 31 December 2014. The Hang Seng Index then fluctuated between the lowest of 20,368.12 and the highest of 28,588.52 in 2015 up to the Latest Practicable Date.

With reference to the *"Half-Yearly Monetary and Financial Stability Report"* published by the Hong Kong Monetary Authority in March 2015 with the review period between the end of August 2014 and the end of February 2015, the equity market in Hong Kong has experienced significant swings during the period. Under the shade of the US monetary normalisation process and the weaker-than-expected economic indicators of Mainland China, the market triggered a selloff in local equities where the Hang Seng Index fell by 7.9% in September, recording the worst monthly performance in more than two years. Equities prices further came down in early-December due to market concern of global economic slowdown arising from sustained weakness of oil prices. Supported by encouraging US economic data and the Federal Reserve's commitment to be "patient" about raising interest rates, the local equity market subsequently recovered from the downward trend by the end of 2014. The upward momentum continues in 2015 following the European Central Bank's quantitative easing program starting from March 2015. The quantitative easing program aims to provide liquidity to the economy through asset purchases and provides monetary stimulus to the economy. The program tends to support investment and consumption. The report also suggests that local equity market is expected to benefit from the launch of the Shanghai-Hong Kong Stock Connect in the medium term. Since the Shanghai-Hong Kong Stock Connect enables mutual market access by investors in the two markets, the market's investor base of Hong Kong's stock market is expected to be broadened and the Hong Kong market's liquidity is expected to be enhanced.

According to the *"World Economic Outlook"* published by the International Monetary Fund ("**IMF**") in April 2015, growth in the United States has been energetic where consumption has benefited from steady job creation and income growth, lower oil prices, and improved consumer confidence. The unemployment rate reached 5.5 percent in February, 1.2 percentage points below its level of a year ago. In the Eurozone, activity was weaker than expected in the middle part of 2014 as private investment remained weak. The slowdown in investment derives from persistent economic slack, declining growth expectations, ongoing political and policy uncertainty, geopolitical tensions, and tight credit conditions. Nevertheless, IMF expected that the growth of Eurozone in 2015 would be higher than that in 2014 in view of the supportive wage increases, a near-term boost from lower oil prices, and the European Central Bank's asset purchase program that help improve the financial conditions of Eurozone. In China, growth fell to 7.4 percent in 2014 and IMF expected China to fall further to 6.8 percent in 2015 as previous excesses in real estate, credit, and investment continue to unwind. Despite activity in Asia and Pacific region slowed modestly in 2014, it is expected that the growth of the region continue to outperform the rest of the world in the medium term.

With reference to the statistics published on the official website of the Securities and Futures Commission, the number of licensed corporations for type 2 regulated activities, dealing in futures contracts, and for type 5 regulated activities, advising on futures contracts, as at June 2015 were 269 and 135 respectively. The total number of futures and options contracts turnover for 2014 was approximately 142.4 million. For the second quarter of 2015, the total number of futures contracts turnover was approximately 19.3 million, representing an increase of approximately 77.63% as compared to the figure of approximately 10.9 million during the corresponding period in 2014.

In view of (i) the implementation of Shanghai-Hong Kong Stock Connect that is expected to broaden the market's investor base of Hong Kong's stock market and benefit the local equity market; (ii) recovery of the United States economy coupled with the expected rise of policy interest rates by the Federal Reserve in the third quarter of 2015 to be slow; (iii) European Central Bank's quantitative easing program starting from March 2015 is expected to improve the financial conditions of Eurozone; (iv) the slowed yet continuous growth of economy in Asia and Pacific region; and (v) the increasing number of turnover in futures and options contracts, we considered that opportunities exist in Hong Kong's stock market and the prospect and outlook of the Group is positive.

2.4 Our view

Based on all of the above and having considered in particular that:

(i) the Acquisition would enable the Group to diversify its business scope and broaden its income stream;

(ii) the Acquisition would allow the Group to operate such business without any disruption as the Target Companies are the licensed corporations under the SFO;

(iii) the Acquisition is in line with the diversification strategy of the Company; and

(iv) the potential and positive outlook of the Hong Kong stock market in the absence of unforeseeable circumstances,

we consider that the reasons for the Acquisition is justifiable and the Acquisition is in the interests of the Company and the Independent Shareholders as a whole. We noted that the Hong Kong stock market has been in a decreasing trend since July 2015, however, given that the trading volume in 2015 is in general higher than in 2014 and the determination of the Consideration has already taken into account of the recent fluctuation, we are of the view that it is fair and reasonable for the Company to acquire a financial service company under the current market condition.

3. Principal terms of the Acquisition Agreement

On 19 August 2015 (after trading hours of the Stock Exchange), Infinite Success Investments Limited, which is the Purchaser and an indirect wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Vendor. Principal terms of the Acquisition Agreement are as follows:

3.1 Assets to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the (i) the Target A Sale Shares, representing the entire issued share capital of Target A; and (ii) the Target B Sale Shares, representing the entire issued share capital of Target B, free from all Encumbrances with effect from Completion together with all rights attaching thereto.

3.2 Consideration

The Consideration for the purpose of the Sale Shares is HK$147,300,000 (subject to adjustment), which shall be satisfied by the Purchaser by procuring the Company to issue the Promissory Note to the Vendor upon Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms by taking into account (i) the net asset value of the Target Companies; (ii) the future plans and prospect of the principal business of the Target Companies; (iii) valuation of companies with shares listed on the Hong Kong Stock Exchange and engaging in similar business as the Target Companies; and (iv) terms and conditions of transactions which are comparable to those contemplated under the Agreements in the period of twelve months preceding the date of the Acquisition Agreement:

In assessing the fairness and reasonableness of the Consideration, we have considered various valuation approaches, including price-to-earnings ratio ("**P/E ratio**") and price-to-book ratio ("**P/B ratio**"). Given that the Target Companies incurred losses for the financial year ended 31 March 2015, the P/E ratio would not be a meaningful metric to be used in the comparison. As an alternative, we have conducted analyses on the P/B ratio of the Target Companies with the P/B ratio of other companies engaged in business similar to the Target Companies, which is regarded as one of the commonly used valuation methods to value a company. Companies are selected based on the following criteria: (i) companies listed on the Stock Exchange for at least one full financial year; (ii) generating segment revenue from the provision of securities brokerage and asset management, which is similar to the principal business of the Target Companies, of not less than 50% of the total revenue of the latest financial year; and (iii) having more than half of the segment revenue derived in Hong Kong. We have identified and made references to 15 companies that meet the aforesaid criteria (the "**Selected Companies**") and we believe, to our best knowledge, that they are exhaustive. We consider that the Selected Companies are fair and representative samples for comparison as the principal businesses and geographical source of revenue are similar to those of the Target Companies. Details of our analyses are set out in the following table:

Table 5: Summary of the Selected Companies

Company name (Stock code)	**Principal business**	**Net asset value (a)** *(Note 1)* *HK$ million*	**Market capitalisation (b)** *(Note 2)* *HK$ million*	**Implied P/B ratio (c) = (b)/(a)** *Times*
Cinda International Holdings Ltd. (111)	Corporate finance, securities broking, commodities and futures broking, financial planning and insurance broking, asset management.	689.7	745.1	1.08
Sunwah Kingsway Capital Holdings Ltd. (188)	Investment in securities, stock, options, futures and commodities brokerage, provision of financial advisory services, asset management, money lending and other securities related financial services.	733.0	1,192.6	1.63
Shenwan Hongyuan (H.K.) Ltd. (218)	Brokerage business, corporate finance business, asset management business, financing and loans business, investment and other business.	1,313.9	2,996.7	2.28
First Shanghai Investments Ltd. (227)	Securities investment, corporate finance and stockbroking, property development, property investment and hotel, direct investment and management.	3,208.0	2,088.5	0.65
China Fortune Financial Group Ltd. (290)	Securities and insurance brokerage, margin financing, provision of corporate finance services and money lending services.	154.6	556.5	3.60

Company name (Stock code)	**Principal business**	**Net asset value (a)** *(Note 1)* *HK$ million*	**Market capitalisation (b)** *(Note 2)* *HK$ million*	**Implied P/B ratio (c) = (b)/(a)** *Times*
ReOrient Group Ltd. (376)	Provision of securities brokerage, securities underwriting and placements, and consultancy and advisory services.	1,014.9	5,348.4	5.27
CASH Financial Services Group Ltd. (510)	Provide online and traditional brokerage of securities, futures & options, mutual funds & insurance linked investment products; investments of securities & options; provide margin financing, money lending services & corporate finance services.	590.7	2,431.0	4.12
Haitong International Securities Group Ltd. (665)	Brokerage, provision of nominee & custodian services, corporate advisory, placing & underwriting, investment management, financing, trading & market making activities, structured products issuance & investment.	8,596.5	22,304.7	2.59
Emperor Capital Group Ltd. (717)	Provision of securities, options, futures, insurance & other wealth management products broking services; margin financing & money lending services; placing & underwriting services; corporate finance advisory; & asset management services.	1,570.1	4,173.0	2.66

Company name (Stock code)	Principal business	Net asset value **(a)** *(Note 1)* *HK$ million*	Market capitalisation **(b)** *(Note 2)* *HK$ million*	Implied P/B ratio **(c) = (b)/(a)** *Times*
Southwest Securities International Securities Ltd. (812)	Futures broking, securities broking and margin financing, corporate finance, wealth management and insurance agency, money lending and proprietary trading.	163.0	1,962.7	12.04
Quam Ltd. (952)	Securities and futures dealing, placement services, margin financing and money lending, the provision of fund and wealth management services; website management; provision of advisory service; investment holding and securities trading.	426.9	2,292.5	5.37
Bright Smart Securities & Commodities Group Ltd. (1428)	Provision of financial services, including securities broking, margin financing, commodities and futures broking and bullion trading.	1,740.7	4,326.2	2.49
Guotai Junan International Holdings Ltd. (1788)	Dealing and broking, loans and financing activities, corporate finance, asset management, fixed income business and investment holding.	7,055.4	18,380.7	2.61
Orient Securities International Holdings Ltd. (8001)	Provision of brokerage service; underwriting and placing service; securities and initial public offering financing service; and investment holding.	247.7	548.6	2.21

Company name (Stock code)	**Principal business**	**Net asset value (a)** *(Note 1)* *HK$ million*	**Market capitalisation (b)** *(Note 2)* *HK$ million*	**Implied P/B ratio (c) = (b)/(a)** *Times*
CL Group (Holdings) Ltd. (8098)	Provision of securities, futures and options broking and trading, loan financing service, placing and underwriting services, securities advisory service and investment holding.	232.6	528.0	2.27
			Average	3.39
			Median	2.59
			Maximum	12.04
			Minimum	0.65
The Acquisition ***(Note 3)***				2.18

Source: Official website of the Stock Exchange – www.hkex.com.hk

Notes:

(1) Based on the latest audited financial statement of the respective Selected Companies.

(2) Based on the average closing price as quoted on the Stock Exchange from 12 August 2015 to 18 August 2015, being the five trading days prior to the date of the Acquisition Agreement, of the respective Selected Companies.

(3) Calculated based on the Consideration of approximately HK$147.3 million and the aggregate audited net asset value of Target A and Target B of approximately HK$67.7 million as at 31 March 2015.

As illustrated above in Table 5, P/B ratio of the Selected Companies ranges from a minimum of approximately 0.65 times to a maximum of approximately 12.04 times with an average of approximately 3.39 times. The implied P/B ratio of the Acquisition was approximately 2.18 times, which falls within the range of the P/B ratio of the Selected Companies and is below the average of the P/B ratio of the Selected Companies. Therefore, we are of the view that the Consideration is determined based on normal commercial terms, in the ordinary and usual course of business of the Group, is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

3.3 Breakeven Guarantee

Pursuant to the Acquisition Agreement, the Vendor has irrevocably and unconditionally warranted and guaranteed to the Purchaser that the aggregate profits before taxation and extraordinary items of the Target Companies for the year ending 31 March 2016 will not be less than zero (the "**Breakeven Guarantee**").

In the event the actual aggregate profit before taxation and extraordinary items of any of the Target Companies for the year ending 31 March 2016 (the "**Actual Profit**") shall be less than zero, the Vendor shall compensate the Purchaser an amount equivalent to the absolute aggregate amount of loss recorded by the Target Companies (the "**Shortfall**").

In case the Breakeven Guarantee is not fulfilled, the compensation obligation of the Vendor shall be discharged by way of setting off the Shortfall against the face value of the Promissory Note on a dollar for dollar basis within three Business Days from the date of the Guarantee Certificate (as defined below). In the event that there shall remain any balance of the Shortfall after the Promissory Note is fully set off, such balance of the Shortfall shall be paid by the Vendor to the Purchaser in cash within seven Business Days after the set-off.

The final Consideration after adjustments under the Breakeven Guarantee shall be:

Final Consideration = HK$147,300,000 – Shortfall

The Vendor and the Purchaser shall procure that the audited financial statements of the Target Companies for the relevant period shall be prepared and reported on at the cost and expenses of the Purchaser by the auditors for the time being of the Company (the "**Auditors**") by the date falling three months after the expiry of the relevant period, and the Auditors shall issue a certificate (the "**Guarantee Certificate**") to certify the amounts of the Actual Profit. The Guarantee Certificate shall, in the absence of manifest error, be final and conclusive of the matters stated therein and binding on the Vendor and the Purchaser provided that the Vendor and the Purchaser shall procure the Auditors to consult the Vendor and the Purchaser and taken into account the Vendor's and the Purchaser's views before the issue of the Guarantee Certificate.

Given that (i) the Consideration will be adjusted should the Actual Profit is in negative amount; (ii) the final Consideration will be reduced by the Shortfall, being equal amount of the losses, (iii) in view of the loss for the year of the Target Companies over the last three financial years, the Breakeven Guarantee is given to the Company unconditionally by the Vendor, which provides extra comfort to the Company and its Shareholders, we are of the view that that Breakeven Guarantee has effectively protected the Company from bearing losses of the Target Companies within the prescribed period and it is in the interests of the Company and the Shareholders as a whole.

3.4 Promissory Note

As mentioned above in section 3.2 of this letter, the Consideration shall be satisfied by the Purchaser by procuring the Company to issue the Promissory Note to the Vendor upon Completion. Principal terms of the Promissory Note are as follows:

Parties:	(1) the Company, as issuer; and
	(2) the Vendor, as payee
Principal amount:	HK$147,300,000
Interest:	2% per annum payable annually in arrears

Maturity:	the date falling on the third anniversary from the date of issue
Transferability:	The Promissory Note may, with five (5) business days' prior notice in writing to the Company of the payee's intention to transfer or assign the Promissory Note, be freely transferable and assignable by the payee to any other person and any subsequent holder of the Promissory Note will (except as otherwise required by law) be treated as the absolute owner of the Promissory Note for all purposes.
Redemption:	Provided that the Company has given to the payee not less than ten (10) business days' prior notice in writing, the Company shall have the right at any time prior to the maturity date of the Promissory Note redeem any part the outstanding principal amount of Promissory Note in whole or in part (in multiples of HK$1,000,000).

In assessing the fairness and reasonableness of the terms of the Promissory Note, we have searched for transactions (the "**Selected Transactions**") that involved the issue of promissory notes as part of the respective considerations by companies listed on the Stock Exchange for the three months period immediately preceding the date of the Acquisition Agreement. To the best our knowledge and as far as we are aware of, we have identified nine Selected Transactions that meet the aforesaid criteria. As the terms of the Selected Transactions are determined under similar market conditions and sentiments as the Promissory Notes, we consider that the Selected Companies are fair and representative samples. Shareholders should note that the business, operations and prospects of the Company are not the same as the Selected Transactions and the Selected Transactions are only used to provide a general reference for the recent general market practice on the issue of promissory notes. Details of our findings are set out in the following table:

Table 6: Summary of the Selected Transactions

Company name (Stock code)	**Date of announcement**	**Principal amount of promissory notes**	**Interest rate per annum**
		HK$ million	*%*
China For You Group Company Limited (572)	17 Aug 2015	130.00	2.00
Blue Sky Power Holdings Limited (6828)	10 Aug 2015	40.00	Nil
Man Sang International Limited (938)	15 Jul 2015	100.00	5.00

Company name (Stock code)	Date of announcement	Principal amount of promissory notes	Interest rate per annum
		HK$ million	*%*
Far East Hotel and Entertainment Limited (37)	30 Jun 2015	21.25	1.50
GreaterChina Professional Services Limited (8193)	22 Jul 2015	34.00	N/A *(Note)*
China Resources Enterprise, Ltd. (291)	17 Jun 2015	15,420.95	0.94
Long Success International (Holdings) Ltd. (8017)	17 Jun 2015	15.00	1.00
Creative Energy Solutions Holdings Limited (8109)	12 Jun 2015	5.00	12.00
Cypress Jade Agricultural Holdings Limited (875)	7 Jun 2015	6.25	2.50
		Average	3.12
		Median	2.00
		Maximum	12.00
		Minimum	0.00
The Promissory Note			2.00

Note: Information was not specified in the respective announcement.

As illustrated above in Table 6, the interest rate per annum of the respective promissory notes issued in relation to the Selected Transactions ranges from a minimum of 0.00% to a maximum of 12.00% with an average of 3.12%. The interest rate per annum of the Promissory Note of 2.00% falls within the range of the interest rate per annum of the respective promissory notes issued in relation to the Selected Transactions and is below the average of the interest rate per annum of the respective promissory notes issued in relation to the Selected Transactions. In addition, the interest rate per annum of the Promissory Note of 2.00% is also lower than the HSBC Hong Kong Dollar Best Lending Rate of 5.00% as at the Latest Practicable Date. Therefore, we are of the view that the interest rate of the Promissory Note is determined based on normal commercial terms, in the ordinary and usual course of business of the Group, is fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

3.5 Our view

Based on the above and having considered in particular that:

(i) the Consideration and the aggregate net asset value of the Target Companies implied a P/B ratio of approximately 2.18 times falls within the range and below the average of the P/B ratio of the Selected Companies;

(ii) the Breakeven Guarantee would effectively protect the Company from bearing loss of the Target Companies in the year ending 31 March 2016 and the final consideration would be adjusted by the Shortfall amount, if applicable;

(iii) the interest rate of the Promissory Note of 2.00% per annum falls within the range and below the average of the interest rate per annum of the promissory notes issued in the respective Selected Transactions; and

(iv) we did not notice or aware of any terms being unusual and not on normal commercial terms,

we are of the view that the terms of the Acquisition, including the Consideration, the Breakeven Guarantee, the issuance of the Promissory Note and the other principal terms thereof, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

4. Background of the Management Services Agreements

Pursuant to the Acquisition Agreement, upon Completion, SIFGMS shall enter into the Management Services Agreements with the Target Companies, pursuant to which (i) SIFGMS shall provide Management Services to the Target Companies; and (ii) Target A shall be permitted to participate in the marketing events organised by the SIFGMS at the sole and absolute discretion of Target A for a term of one year commencing from the Completion Date.

SIFGMS is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor, it is principally engaged in the provision of management services to the subsidiaries of the Vendor.

5. Principal terms of the Management Services Agreements

The principal terms of the Management Services Agreements are as follows:

5.1 Term

The Management Services Agreements both commence from the Completion Date to 31 March 2017 (both dates inclusive).

5.2 Scope of Management Services

Target A Management Services Agreement	:	Pursuant to the Target A Management Services Agreement, the scope of Management Services to be provided by SIFGMS to Target A include (i) provision of IT equipment and IT support services, accounting services as well as administrative services; and (ii) participation in the marketing events organised by SIFGMS and SIFGA at the sole and absolute discretion of Target A.
Target B Management Services Agreement	:	Pursuant to the Target B Management Services Agreement, the scope of Management Services to be provided by SIFGMS to Target B include provision of IT equipment and IT support services, accounting services as well as administrative services.

5.3 Fee

Target A Management Services Agreement	:	For Management Services to be provided by SIFGMS pursuant to the Target A Management Services Agreement, the monthly fee is HK$112,500. For participation in any marketing event organised by SIFGMS, the fee payable by Target A shall be event-based and shall be based on the estimated expenses incurred by the Vendor Group in arranging such marketing event at market rate and as agreed by both parties.
Target B Management Services Agreement	:	HK$17,500 will be charged monthly by SIFGMS pursuant to the Target B Management Services Agreement.

Under the Management Services Agreements, the aggregate monthly fee paid by the Target Companies amount to HK$130,000 (the "**Aggregate Monthly Fees**"). As advised by the Management, we are given to understand that the Aggregate Monthly Fees are considered as the staff costs for provision of the Management Service. The estimation of Aggregate Monthly Fees was made by the Management based on their discussion with the Vendor Group and the Director's experience (Mr. Lui Man Wah, the Chief Executive Officer and Executive Director of the Company) in securities industry which details are disclosed in the paragraph headed "Future plans for the Target Companies" in the Letter from the Board. In the event that SIFGMS does not provide administrative services, it is estimated that the Target Companies have to employ additional three accounting staff, three IT staff and one human resources and administrative staff to carry out such works.

In order to assess the fairness and reasonableness of the estimation made by the Management and the Aggregate Monthly Fees, we have performed an internet desktop research in respect of the number of staff for the corresponding works of the Selected Companies with similar size of operation as the Target Companies and the monthly salary of such positions in Hong Kong. Based on our research of available information published on the website of the Stock Exchange, we identified two comparables from the Selected Companies which both are listed on GEM and noted from their prospectus that the number of staff required to perform the administrative work, accounting work and IT support for these two companies ranged from approximately 5 to 9 staff. According to the "Salary Report 2015" published by Manpower Services (Hong Kong) Limited on its website, we noted that (i) the monthly salary of an accounting officer/assistant accountant ranged from HK$15,000 to HK$30,000 (with an average of HK$22,500); (ii) the monthly salary of a middle level of IT system support staff ranged from HK$25,000 to HK$28,000 (with an average of HK$26,500); and (iii) the monthly salary of an administrative officer ranged from HK$14,000 to HK$20,000 (with an average of HK$17,000). Based on the above average monthly salary of respective position and the number of additional staff to be employed by the Target Companies, the estimated monthly salaries to be borne by the Target Companies will be amount to approximately HK$156,000 (the "**Estimated Monthly Salaries**"). Furthermore, we have reviewed the quotation obtained by the Company from an independent third party in relation to the provision of the Management Services and noted that the Aggregate Monthly Fees are lower than the quotation of HK$170,000 per month as quoted by the independent third party. In view of the aggregate monthly fee under the Management Services Agreements is similar and comparable to the quotation provided by the independent third party, we consider that the Management Services Agreements are on normal commercial terms.

Taking into account the fact that (i) the estimation was made by the Management based on their discussion with the Vendor Group and the Director's experience in securities industry; (ii) the Aggregate Monthly Fees are lower than the Estimated Monthly Salaries; (iii) by entering into the Management Services Agreements would lessen the Target Companies' administrative workload and costs; and (iii) we have reviewed the terms of the Management Services Agreements and do not notice any abnormal commercial terms, we consider that the way of determination of the Aggregate Monthly Fees and the Aggregate Monthly Fees are fair and reasonable.

According to the Letter from the Board, the fee payable by Target A for the participation in marketing events organised by SIFGMS shall be event-based and shall be based on the 50% of the actual expenses incurred by the Vendor Group in arranging such marketing event and as agreed by both parties, the fee shall be payable within 15 days after the receipt of the invoice from the Vendor Group and the invoice is expected to be issued by the Vendor Group within 45 days after the marketing event. As these marketing events, which will be joint function between the Target A and the Vendor Group, target similar group of high net worth retail customers to promote the wealth management business of the Vendor Group and the securities and futures business of Target A, and it is expected that not less than 50% of the air-time during such marketing event shall be allocated to Target A for the promotion of its products and services, we concur with the Directors' view that it is reasonable to share the actual expenses incurred by the Vendor Group in arranging such marketing event with the Vendor Group in equal share.

Further to the Letter from the Board, it is expected that the fee payable for participation in the market events for the twelve months following Completion will not exceed HK$3,000,000 in total. The management of Target A will assess the merit of each marketing event organised by SIFGMS in deciding whether to participate in such events. SIFGMS will provide a cost list in respect of the relevant activities. In case the expected fee payable to SIFGMS for joining any particular marketing event exceeds HK$500,000, Target A will obtain quote(s) on comparable marketing activities organized by independent third party(ies) which will form the basis for evaluating the reasonableness of the fees charged by SIFGMS to ensure that the cost incurred is fair and reasonable. As part of the normal budgetary control process and monthly reporting of the Target Companies, Target A will submit monthly report to the Company which shall include details of the participation by Target A of the marketing activities organized by the Vendor Group, together with the relevant costs incurred by Target A and the cost list provided by the Vendor Group with respect to such marketing activity to make sure that the aggregate fee payable by Target A would not exceed HK$3,000,000. Having considered that the Company has implemented internal control procedures to monitor the pricing procedures for the Management Services Agreements, we consider that to ensure the fees charged by SIFGMS and we have reviewed the relevant internal written procedures of the Company in relation to the above, we consider that the aforesaid internal control procedures are appropriate in safeguarding the interests of the Company as the Shareholders as a whole.

Given that (i) the Group has discretion to participate in the marketing activities organised by SIFGMS and the amount charged will be based on 50% of the expenses incurred by the Vendor Group which is on an actual basis; (ii) the Management would obtain quotations of comparable marketing activities organised by independent third parties to assess the reasonableness of the expected fee payable to SIFGMS for joining any particular marketing event when the expected fee exceeds HK$500,000; and (iii) a monthly report which includes details of the participation by Target A of the marketing activities organized by the Vendor Group will be submitted to the Company in order to keep track that the aggregate fee payable by Target A would not exceed HK$3,000,000, we consider that the fees payable for participation in any marketing event organised by SIFGMS is on normal commercial terms, fair and reasonable so far as the Company and the Independent Shareholders are concerned.

5.4 Proposed Annual Caps

The table below sets forth the proposed Annual Caps of the Management Services Agreements:

	Expected maximum annual aggregate fees payable under the Management Services Agreements for the year ending 31 March	
	2016	**2017**
	HK$	*HK$*
Target A Management Services Agreement	537,500	4,150,000
Target B Management Services Agreement	52,500	210,000

5.5 Our view

In assessing the fairness and reasonableness of the terms of the Management Services Agreements, we have reviewed (i) the historical amounts of management fee paid by the Target Companies to SIFGMS; and (ii) the Estimated Monthly Salaries as set out in section 5.3 of this letter. We noted that the Aggregate Monthly Fees is lower than the historical amounts of management fee. As advised by the Management, the reduction is mainly due to the lower marketing expenses as the business of the Target Companies has become more matured and that future business growth of the Target Companies will mainly be driven by increase in selling activities which would be carried out by the Target Companies' in-house staff as well as savings in administrative expenses.

As set out in the Letter from the Board, the proposed Annual Caps under the Management Services Agreements were determined after arm's length negotiations between the Target Companies and the Vendor Group with reference to (i) the expected resources (including equipment and staff) to be allocated to the Target Companies by the Vendor Group in relation to the provision of the Management Services; (ii) the prevailing market rate for engaging third party service providers for the provision of the Management Services and organizing the marketing events; and (iii) assuming Completion shall take place on 1 January 2016.

We understand from the Company that the number of clients of Target A has increased from approximately 599 in March 2013 to approximately 1,023 in June 2015. The licensed representatives of Target A also increased from 13 as at 31 March 2013 to 82 as at 30 June 2015. Considering the recent increase in number of licensed representatives of Target A who will be responsible for the selling activities of Target A, we are of the view that the licensed representatives will be able to carry out the selling activities of Target A. We also understand from the Company that the Target Companies shared some management expenses from the Vendor Group in past and such expenses will be terminated after the Acquisition and those works will be taken up by the Group's management which in turn saves the administrative expenses. Given that the licensed representatives will be able to carry out the selling activities and the management team of the Group and the Target Companies will take up the management role of the Target Companies, we concur with the Directors' view that the marketing expense and administrative expense of the Target Group will be reduced.

Based on the above and having considered in particular that:

(i) the Management Services Agreements enable the Target companies to continue its existing business operations during the transition period immediately following Completion; and

(ii) the Aggregate Monthly Fees is lower than the historical amounts of management fee paid by the Target Companies and the Estimated Monthly Salaries,

we are of the view that the terms of the Management Services Agreements, the proposed Annual Caps and the other principal terms thereof, are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

6. Background of the Licence Agreements

Pursuant to the Acquisition Agreement, upon Completion, the Vendor Group, SIFGA and SIFGMS, shall enter into the Licence Agreements, pursuant to which the Vendor Group shall grant a licence to the Target Companies to use certain premises.

SIFGA is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor, it is principally engaged in the provision of management services to the subsidiaries of the Vendor. Background of SIFGMS is set out above in section 4 of this letter.

7. Principal terms of the Licence Agreements

The principal terms of the Licence Agreements are as follows:

7.1 Licensors and licensees

The table below set out the licensor and licensee of the Licence Agreements:

	Licensor	Licensee
Target A Licence Agreement 1:	SIFGMS	Target A
Target A Licence Agreement 2:	SIFGA	Target A
Target A Licence Agreement 3:	SIFGA	Target A
Target A Licence Agreement 4:	SIFGA	Target A
Target B Licence Agreement:	SIFGMS	Target B

7.2 Premises

Details of the premise of the Licence Agreements (the "**Premises**") are set out as below:

Target A Licence Agreement 1:	the office situated at 3703–08, 37/F, ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong (the "**Office 1**")
Target A Licence Agreement 2:	the office situated at Unit 1210–1214, 12/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the "**Office 2**")
Target A Licence Agreement 3:	the office situated at Unit1007–1012, 10/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong (the "**Office 3**")
Target A Licence Agreement 4:	the office situated at Unit 1901, 19/F, Crocodile Center, 79 Hoi Yuen Road, Kwun Tong, Hong Kong (the "**Office 4**")
Target B Licence Agreement:	the Office 1 situated at 3703–08, 37/F ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong

7.3 Leased area and permitted use

The permitted use of all of the Licence Agreements is office use and leased area of each of the Licence Agreements is set out as below:

Target A Licence Agreement 1:	Approximately 4,000 sq. feet (being approximately 40% of the total gross floor area of Office 1)
Target A Licence Agreement 2:	Approximately 1,100 sq. feet (being approximately 20% of the total gross floor area of Office 2)
Target A Licence Agreement 3:	Approximately 500 sq. feet (being approximately 15% of the total gross floor area of Office 3)
Target A Licence Agreement 4:	Approximately 1,000 sq. feet (being approximately 15% of the total gross floor area of Office 4)
Target B Licence Agreement:	Approximately 500 sq. feet (being approximately 5% of the total gross floor area of Office 1)

7.4 Term

The term of the Licence Agreements is set out as below:

Target A Licence Agreement 1:	The period commencing from the date of Completion to 15 April 2018 (both dates inclusive)
Target A Licence Agreement 2:	The period commencing from the date of Completion to 31 March 2017 (both dates inclusive)
Target A Licence Agreement 3:	from the date of Completion to 6 July 2017 (both dates inclusive)
Target A Licence Agreement 4:	For the period commencing from the date of Completion to 31 March 2017 (both dates inclusive)
Target B Licence Agreement:	The period commencing from the date of Completion to 15 April 2018 (both dates inclusive)

7.5 Licence fee

The monthly licence fee of the Licence Agreements is set out as below:

Target A Licence Agreement 1:	HK$231,000, subject to adjustments for change in management fee and government rate charged by the landlord of Office 1
Target A Licence Agreement 2:	HK$64,000, subject to adjustments for change in rents upon expiry of the current leases on 18 August 2016, management fee and government rate charged by the landlord but in any event not exceeding HK$69,000
Target A Licence Agreement 3:	HK$30,000, subject to adjustments for change in management fee and government rate charged by the landlord of Office 3
Target A Licence Agreement 4:	HK$20,000, subject to changes in rents upon expiry of the current leases on 18 September 2017, management fee and government rate charged by the landlord but in any event not exceeding HK$22,000
Target B Licence Agreement:	HK$25,000, subject to adjustments for change in management fee and government rate charged by the landlord of office 1

Pursuant to the Licence Agreements, the monthly licence fee shall be payable by the licensee, being the Target Companies, to the licensors, being SIFGMS or SIFGA, on or before the first day of each and every calendar month during the term of the respective Licence Agreements.

As set out in the Letter from the Board, the Company benchmarked the licence fee per sq. feet of Office 2 and Office 3 with the prevailing market rent of similar offices within the same building while determining the licence fee for Office 2 and Office 3.

7.5.1 Valuation

As advised by the Directors, the licence fee was determined after arm's length negotiations between the Company and the Vendor with reference to the respective fair market rental of the Premises (the "**Valuation**") as indicated by an independent valuer. The valuer is of the view that the terms of the Licence Agreements, as set out in section 7.5 above, are fair and reasonable and the licence fee thereunder is below the prevailing market rate as at the date of commencement of the Licence Agreement.

We noted that from the valuation reports, the valuer has adopted the comparison approach by reference to comparable market information and the Valuation was prepared in accordance with "The HKIS Valuation Standards (2012 Edition)" published by The Hong Kong Institute of Surveyors. We understand from the valuer that as part of the comparison approach, they have made reference to, among others, the recent rental prices of sites of comparable size, character and location. We have obtained from the valuer the details of the comparable transactions that they had made reference to in valuing the Offices. We noted that the valuer has identified aggregate six recent transactions, which are comparable to the Offices in terms of each of their size, character and location. Based on our review of such comparable transactions, we noted that the value per sq. ft. of maximum permitted gross floor area represented by the Appraised Value is within the range as indicated by such comparable transactions.

The valuer confirmed to us that (i) except for its engagement in respect of the Valuation, it has no current or prior relationships with the Company and the Company's connected persons; (ii) the Premises was valued by direct comparison approach with reference to market comparables with due allowances for the differences between the comparables and the Premises; and (iii) other than general assumptions commonly used in property valuation, no specific assumption was made in the Valuation. We are not aware of any limitations on the scope of work which might adversely impact on the degree of assurance given by the valuation report or any matters that would cause us to question the valuer's expertise and independence.

Based on all of the foregoing, we concur with the valuer's view that (i) the valuation methodology adopted by the valuer's common and appropriate for determining the market rental of properties such as the Premises; (ii) the bases and assumptions for the Valuation are fair and reasonable; and (iii) the market rental of the Premises, as shown in Table 7 above, were fairly and reasonably derived.

7.6 Proposed Annual Caps

	Expected maximum annual aggregate fees payable under the Licence Agreements for the year ending 31 March			
	2016	**2017**	**2018**	**2019**
	HK$	*HK$*	*HK$*	*HK$*
Target A Licence Agreement 1 *(Note 1)*	693,000	2,922,000	3,092,000	145,500
Target A Licence Agreement 2 *(Note 2)*	192,000	805,500	N/A	N/A
Target A Licence Agreement 3 *(Note 3)*	90,000	395,000	120,000	N/A
Target A Licence Agreement 4 *(Note 4)*	61,500	251,500	N/A	N/A
Target B Licence Agreement *(Note 5)*	75,000	315,000	330,000	17,500

Notes:

1. Target A Licence Agreement 1 commences from the date of the Completion to 15 April 2017 (both dates inclusive).

2. Target A Licence Agreement 2 commences from the date of the Completion to 31 March 2017 (both dates inclusive).

3. Target A Licence Agreement 3 commences from the date of the Completion to 6 July 2017 (both dates inclusive).

4. Target A Licence Agreement 4 commences from the date of the Completion to 31 March 2017 (both dates inclusive).

5. Target B Licence Agreement commences from the date of the Completion to 15 April 2018 (both dates inclusive).

7.7 Our view

In assessing the fairness and reasonableness of the terms of the Licence Agreements, we have reviewed (i) the tenancy agreements entered into between the Vendor Group and the landlord of the respective Offices; and (ii) the valuation report in respect of the fair value of rental of the Premises.

As set out in the Letter of the Board, the licence fee payable and the proposed Annual Caps under the Licence Agreements were determined with reference to (i) the prevailing market rent of similar office premises with similar rentable area to be licenced to the Target Companies under the Licence Agreements; (ii) the rental fee payable by SIFGA or SIFGMS under the prevailing tenancy agreement entered into with the landlord of the respective Offices; (iii) the size of the floor to be used by the Target Companies as set out under the Licence Agreements; (iv) the standard of the leasehold improvements, furniture and office equipment provided; and (v) assuming Completion shall take place on 1 January 2016.

Based on the above and having considered that the Licence Agreements enable the Target companies to continue its existing business operations during the transition period immediately following Completion; we are of the view that the terms of the Licence Agreements, the proposed Annual Caps and the other principal terms thereof, are on normal commercial terms, in the ordinary and usual course of business of the Group, fair and reasonable and in the interests of the Company and the Independent Shareholders as a whole.

8. Financial effects of the Transactions

Earnings

Upon Completion, the Target Companies will become indirect wholly-owned subsidiaries of the Company and the financial results of the Target Companies will be consolidated into the consolidated accounts of the Group. We note that the Target Companies recorded net loss for the two years ended 31 March 2015, it is advised by the Directors that the Acquisition will bring positive contribution to the earnings of the Enlarged Group by entering into the financial services business segment.

Net assets and total assets

As at 31 March 2015, the audited net assets and total assets of the Group amounted to approximately HK$177.7 million and HK$589.7 million, respectively. Based on the unaudited pro forma financial information of the Enlarged Group as set out in Appendix IV to the Circular, the net assets of the Enlarged Group would be remained at approximately HK$177.7 million whereas the total assets of the Enlarged Group would increase to approximately HK$903.9 million.

Gearing ratio

With reference to the unaudited pro forma consolidated statement of financial position in Appendix IV to the Circular, the Group's cash level would increase from approximately HK$50.4 million before the Transactions to approximately HK$81.0 million immediately after the Transactions. The gearing ratio of the Group, which is calculated by the its total liabilities divided by its total assets, would increase from approximately 69.9% before the Transactions to approximately 79.7% immediately after the Transactions. The increase in cash level will benefit the Group for its future development of remaining projects.

It should be noted that the aforementioned analyses are for illustrative purposes only and do not purport to represent how the financial position of the Enlarged Group will be upon Completion.

RECOMMENDATION

Having taken into account the above-mentioned principal factors and reasons, we are of the opinion that the Transactions are in the ordinary and usual course of business of the Group, on normal commercial terms, fair and reasonable so far as the Independent Shareholders are concerned, and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Agreements and the Transactions contemplated thereunder.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Robert Siu
Managing Director

Note: Mr. Robert Siu is a licensed person registered with the SFC and a responsible officer of Messis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 15 years of experience in corporate finance industry.

A. SUMMARY OF FINANCIAL RESULTS

1. FINANCIAL SUMMARY OF THE GROUP

The following is a summary of certain financial information of the audited consolidated results for the three financial years ended 31 March 2013, 2014 and 2015, as extracted from the annual reports of the Company for each of the three years ended 31 March 2013, 2014 and 2015.

Extracts of the financial results for 3 years ended 31 March 2015

	For the year ended 31 March		
	2015	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)	(Audited)	(Audited)
Revenue	151,293	187,596	239,725
Profit/(loss) before taxation	(403,194)	(679,646)	(663,363)
Taxation	(665)	125,677	128,517
Profit/(loss) for the period/year	(403,859)	(553,967)	(534,846)
Earnings/(loss) per Share attributable to owners of the Company			
Basic (Hong Kong cents per Share)	(61.51)	(50.78)	(35.31)
Diluted (Hong Kong cents per Share)	(61.51)	(50.78)	(35.51)

Extracts of the financial position for 3 years ended 31 March 2015

	As at 31 March		
	2015	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
	(Audited)	(Audited)	(Audited)
Total assets	589,692	974,207	1,460,784
Total liabilities	(412,006)	(392,684)	(380,287)
Net assets	177,686	581,523	1,080,498

The financial information of the Group has been disclosed in the following draft:

– annual report of the Company for the year ended 31 March 2013 published on 27 June 2013 (pages 31–98);

– annual report of the Company for the year ended 31 March 2014 published on 8 July 2014 (pages 31–106); and

– annual report of the Company for the year ended 31 March 2015 published on 29 June 2015 (pages 29–112).

All of the financial information as mentioned above are also available on the websites of the Stock Exchange (http://www.hkexnews.hk) and Company at http://www.sun8029.com.

B. INDEBTEDNESS

Borrowings

The Enlarged Group's borrowings are principally applied by the Enlarged Group for working capital purposes. As at 30 September 2015, being the latest practicable date prior to the printing of this circular and for the purpose of this indebtedness statement, the Enlarged Group had total outstanding unsecured and unguaranteed borrowings of approximately HK$378 million, including (i) an interest free promissory note of HK$140 million; and (ii) interest bearing medium-term bonds of HK$238 million.

There was unutilized facilities of HK$150 million as at 30 September 2015, which guaranteed the Enlarged Group have sufficient financial resources to meet the requirement of short-term working capital up to 23 June 2016.

Save as disclosed above, there was no material change in the indebtedness of the Enlarged Group since 30 September 2015.

Contingent liabilities

No contingent liabilities were made for the Enlarged Group as at close of business on 30 September 2015.

Save as aforesaid, and apart from intra-group liabilities and normal accounts payable in the ordinary course of the business, as at the close of business on the Latest Practicable Date, the Enlarged Group did not have any outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans or other similar indebtedness, finance lease or hire purchase commitments, liabilities under acceptance or acceptance credits, guarantees or other material contingent liabilities.

C. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, following completion of the Acquisition, taking into account the financial resources available to the Enlarged Group, including the internally generated funds and the present available banking facilities of the Enlarged Group, and in the absence of unforeseen circumstances, the Enlarged Group will have sufficient working capital for its present requirements that is for at least the next 12 months from the date of this circular.

D. MATERIAL ADVERSE CHANGE

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

E. FINANCIAL AND TRADING PROSPECTS

The major business activities of the Group include equine service and information technology service during the financial year ended 31 March 2015.

In August 2013, the Group had completed a purchase of one of Australia's largest stud farms, Eliza Park, in offering its clientele a total range of thoroughbred related services, including breeding, rearing, sales, agistment, spelling, education, administration advice and training.

Future plans include the purchase of bloodstock from the global marketplace, which would then be raised and traded when they reached a certain age. In addition, the construction of a new pre-training and racing facility including an uphill, all-weather, undercover training track has been completed along with the training infrastructure, for the purpose of enhancing the superior service to our clients for pre-training services. Eliza Park International Pty. Limited has every intention of living up to its name by taking its brand to the global stage.

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AKAM Anthony KAM & associates ltd certified public accountants
China Hong Kong Indonesia Malaysia Singapore
Taiwan United Kingdom United States

4 November 2015

The Directors
Sun International Resources Limited
Units 2414–2418, 24th Floor
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Dear Sirs,

We set out below our report on the Financial Information of Sun International Securities Limited ("**Target A**"), which comprises the statements of financial position of Target A as at 31 March 2013, 2014 and 2015 and 30 June 2015, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of Target A for each of the years ended 31 March 2013, 2014 and 2015 and the three months ended 30 June 2015 (the "**Relevant Periods**") and a summary of significant accounting policies and other explanatory information (the "**Financial Information**"). This Financial Information has been prepared by the directors of Sun International Resources Limited (the "**Company**") and is set out in Sections I to III below for inclusion in Appendix II to the circular of the Company dated 4 November 2015 (the "**Circular**") in connection with the proposed acquisition of the entire equity interest in Target A by Infinite Success Investments Limited (the "**Purchaser**"), a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability and an indirect wholly-owned subsidiary of the Company.

Target A is a company incorporated in Hong Kong with limited liability on 8 April 2010. The principal business activities of Target A is to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities in Hong Kong as defined under the Hong Kong Securities and Futures Ordinance (the "**SFO**").

The directors of Target A are responsible for the preparation of the financial statements of Target A for the Relevant Periods that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**Underlying Financial Statements**"), and for such internal control as the directors determine is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error. We have audited the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA pursuant to separate terms of engagement.

We have been the auditors of Target A for the three years ended 31 March 2013, 2014 and 2015 and the three months ended 30 June 2015.

We have not audited any financial statements of Target A in respect of any period subsequent to 30 June 2015.

The Financial Information has been prepared based on the Underlying Financial Statements of Target A with no adjustments we consider as required to be made thereon.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of Financial Information that gives a true and fair view in accordance with HKFRSs, the Hong Kong Companies Ordinance, the Hong Kong Securities and Futures (Accounts and Audit) Rules and the accounting policies adopted by the Company and its subsidiaries (together, the "**Group**") as set out in the annual report of the Company for the year ended 31 March 2015, and includes applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of Target A as at 31 March 2013, 2014 and 2015 and 30 June 2015 and Target A's results and cash flows for the Relevant Periods then ended.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information set out in Sections I to II below included in Appendix II to the Circular which comprises the statement of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows of Target A for the three months ended 30 June 2014 and a summary of significant accounting policies and other explanatory information (the "**Stub Period Comparative Financial Information**").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the accounting policies set out in Note 4 of Section II below and the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 31 March 2015.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 4 of Section II below.

SECTION I – FINANCIAL INFORMATION OF TARGET A

Statements of profit or loss and other comprehensive income

		Year ended 31 March			Three months ended 30 June	
		2013	2014	2015	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
Turnover	*6*	2,577	3,687	13,240	2,086	8,450
Cost of sales		–	–	–	–	–
Gross profit/(loss)		2,577	3,687	13,240	2,086	8,450
Other revenue	*6*	58	74	386	29	214
Administrative expenses		(11,512)	(28,475)	(47,858)	(11,105)	(13,025)
Operating profit/(loss)	*7*	(8,877)	(24,714)	(34,232)	(8,990)	(4,361)
Finance costs	*9*	–	(88)	(60)	–	(82)
Profit/(loss) before taxation		(8,877)	(24,802)	(34,292)	(8,990)	(4,443)
Taxation	*10a*	–	–	–	–	–
Profit/(loss) for the year/period		(8,877)	(24,802)	(34,292)	(8,990)	(4,443)
Other comprehensive income		–	–	–	–	–
Profit/(loss) and total comprehensive income/(expense) for the year/period and attributable to owners of Target A		(8,877)	(24,802)	(34,292)	(8,990)	(4,443)

The accompanying notes form an integral part of the Financial Information of Target A.

Statements of financial position

					As at
		As at 31 March			30 June
		2013	2014	2015	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment	*14*	2,888	2,075	–	–
Other long-term assets	*15*	205	205	205	205
Intangible assets	*16*	500	500	500	500
		3,593	2,780	705	705
Current assets					
Amount due from ultimate holding company	*17*	4	–	–	–
Amounts due from related companies	*17*	–	50	61	70
Trade and other receivables	*18*	9,199	38,472	182,744	146,272
Bank trust accounts balances	*19*	6,497	115,826	20,545	69,882
Cash and cash equivalents	*20*	28,855	61,303	26,658	53,070
		44,555	215,651	230,008	213,821
Current liabilities					
Amounts due to related companies	*21*	–	5,184	1,901	3,759
Trade and other payables	*22*	15,244	145,145	34,892	206,873
Bank loan	*23*	–	–	130,110	–
		15,244	150,329	166,903	155,159
Net current assets/(liabilities)		29,311	65,322	63,105	58,662
Total assets less current liabilities		32,904	68,102	63,810	59,367
Capital and reserves					
Share capital	*24*	50,000	110,000	140,000	140,000
Reserves		(17,096)	(41,898)	(76,190)	(80,633)
		32,904	68,102	63,810	59,367

The accompanying notes form an integral part of the Financial Information of Target A.

Statements of changes in equity

	Share capital *HK$'000*	Accumulated profits/ (losses) *HK$'000*	Total *HK$'000*
At 1 April 2012	50,000	(8,219)	41,781
Profit/(loss) and total comprehensive income/ (expense) for the year	–	(8,877)	(8,877)
At 31 March 2013	50,000	(17,096)	32,904
Issue of shares	60,000	–	60,000
Profit/(loss) and total comprehensive income/(expense) for the year	–	(24,802)	(24,802)
At 31 March 2014	110,000	(41,898)	68,102
Issue of shares	30,000	–	30,000
Profit/(loss) and total comprehensive income/(expense) for the year	–	(34,292)	(34,292)
At 31 March 2015	140,000	(76,190)	63,810
Profit/(loss) and total comprehensive income/(expense) for the period	–	(4,443)	(4,443)
At 30 June 2015	140,000	(80,633)	59,367
At 1 April 2014	140,000	(85,076)	54,924
Issue of shares	–	–	–
Profit/(loss) and total comprehensive income/(expense) for the period	30,000	(8,990)	21,010
At 30 June 2014 (unaudited)	170,000	(94,066)	75,934

Statements of cash flows

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Cash flows from operating activities					
Profit/(loss) before taxation	(8,877)	(24,802)	(34,292)	(8,990)	(4,443)
Adjustments for:					
Interest income	(3)	(4)	(11)	(4)	–
Interest expenses	–	88	60	–	82
Loss on disposal of property, plant and equipment	–	6	154	–	–
Depreciation	981	1,667	1,259	442	–
Operating profit/(loss) before working capital changes	(7,899)	(23,045)	(32,830)	(8,552)	(4,361)
(Increase)/decrease in operating assets					
Amount due from ultimate holding company	(4)	4	–	–	–
Amounts due from related companies	–	(50)	(11)	(1,141)	(9)
Trade and other receivables	(3,956)	(29,273)	(144,272)	(3,798)	36,471
Bank trust account balances	(3,643)	(109,329)	95,281	98,724	(49,337)
Increase/(decrease) in operating liabilities					
Amount due to the ultimate holding company	–	–	–	300	–
Amounts due to related companies	–	5,184	(3,283)	(1,010)	1,858
Trade and other payables	9,215	129,901	(110,253)	(111,252)	171,982
Cash generated from operations	(6,287)	(26,608)	(195,368)	(26,729)	156,604
Profits tax paid	–	–	–	–	–
Net cash (used in)/from operating activities	(6,287)	(26,608)	(195,368)	(26,729)	156,604
Cash flows from investing activities					
Payment for purchases of property, plant and equipment	(815)	(875)	(200)	(189)	–
Proceeds from disposal of property, plant and equipment	–	14	863	–	–
Interest received	3	4	11	4	–
Net cash (used in)/from investing activities	(812)	(857)	674	(185)	–

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Cash flows from financing activities					
Interest paid	–	(88)	(60)	–	(82)
Proceeds from bank loan	–	–	130,110	–	–
Proceeds from issue of shares	–	60,000	30,000	30,000	–
Repayment of bank loan	–	–	–	–	(130,110)
Net cash (used in)/from financing activities	–	59,912	160,050	30,000	(130,192)
Net increase/(decrease) in cash and cash equivalents	(7,100)	32,447	(34,644)	3,086	26,412
Cash and cash equivalents at beginning of year/period	35,955	28,855	61,303	61,303	26,658
Cash and cash equivalents at end of year/period	28,855	61,303	26,658	64,389	53,070
Analysis of balances of cash and cash equivalents					
Cash and bank balances	28,855	61,303	26,658	64,389	53,070

SECTION II – NOTES TO FINANCIAL INFORMATION

1 GENERAL INFORMATION

Target A was incorporated in Hong Kong on 8 April 2010 as a private company with limited liability under the Companies Ordinance of Hong Kong. With effect from 6 March 2012, the name of Target A has been changed from China Investment Securities Limited to Sun International Securities Limited. The address of its registered office and principal place of business is Units 3703-08, 37/F, ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong.

Target A is a licensed corporation under the Hong Kong Securities and Futures Ordinance (the "**SFO**") to carry on type 1 (dealing in securities), type 2 (dealing in futures contracts) and type 4 (advising on securities) regulated activities in Hong Kong as defined under the SFO.

In the opinion of the directors of the Company, Sun International Financial Group Limited, a company incorporated in the British Virgin Islands, is the immediate parent and ultimate controlling party of Target A.

2 BASIS OF PRESENTATION

For the purposes of this report, the Financial Information has been prepared and presented on a basis in accordance with the principles of the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information is presented in thousands of units of Hong Kong dollars (HK$'000), which is Target A's functional and presentation currency, unless otherwise stated.

3 APPLICATION OF NEW AND REVISED HKFRSs

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Target A has consistently applied the Hong Kong Accounting Standards (the "**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as the "**HKFRSs**") which are effective for the accounting period beginning on 1 April 2014 throughout the Relevant Periods.

New and revised standards and interpretations in issue but not yet effective

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[5]
Amendments to HKAS 1	Disclosure initiative[5]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions, earlier application permitted.

Target A has not early adopted the above new and revised HKFRSs.

Target A is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Financial Information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong, the requirements of the Hong Kong Companies Ordinance and the Hong Kong Securities and Futures (Accounts and Audit) Rules. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("**HKASs**"); and Interpretations. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared under the historical cost convention.

b Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives at the following annual rates:

Leasehold improvements	over lease term
Furniture and fixtures	20%
Office equipment	20%

c Intangible assets

Intangible assets represent the rights to trade on the Stock Exchange of Hong Kong Limited (the "**trading rights**"). The trading rights have an indefinite useful life and are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment of non-financial assets below).

Gains or losses arising from derecognition of the trading rights are measured at the difference between the sales proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

d Trade and other receivables

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

e Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

f Trade and other payables

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

g Leased assets

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

h Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

i Taxation

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

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

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

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

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

j Provisions

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

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

k Foreign currencies

Foreign currency transactions during the Relevant Periods are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the Relevant Periods. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

l Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the Relevant Periods in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

m Related parties

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

(i) has control or joint control over Target A;

(ii) has significant influence over Target A; or

(iii) is a member of the key management personnel of Target A or of a parent of Target A.

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

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

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

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

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

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

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

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

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

n Segment reporting

Operating segments, and the amounts of each segment item reported in the accounts, are identified from the financial information provided regularly to Target A's most senior executive management for the purposes of allocating resources to, and assessing the performance of, Target A's various lines of businesses and operations in different geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services and products, the type or class of customers, the methods used to provide the services or distribute the products, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

o Impairment of non-financial assets

Impairment of other receivables

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

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

Impairment of other assets

Internal and external sources of information are reviewed at the end of each of the Relevant Periods to identify indications that property, plant and equipment, intangible assets and other long-term assets in Target A's statements of financial position may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

p Financial instruments

Financial assets and financial liabilities are recognised in the statements of financial position when Target A becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statements of profit or loss and other comprehensive income.

Financial assets

Target A's financial assets are classified into loans and receivables. All regular way purchases or sales of financial assets are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At the end of the Relevant Periods, subsequent to initial recognition, loans and receivables (including amounts due from ultimate holding company, fellow subsidiaries, related companies, trade debtors, other debtors and deposits, and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss of financial assets below).

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each of the Relevant Periods. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been impacted.

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

(i) significant financial difficulty of the issuer or counterparty; or

(ii) default or delinquency in interest or principal payments; or

(iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include Target A's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period allowed and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, an impairment loss is recognised in the statements of profit or loss and other comprehensive income when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

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

The carrying amount of the financial asset is reduced by the impairment loss either directly or through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the statements of profit or loss and other comprehensive income. When a trade receivable is considered uncollectible, it is written off either directly or against the allowance account. Subsequent recoveries of amounts previously written off are credited to the statements of profit or loss and other comprehensive income.

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

Financial liabilities

Financial liabilities include bank loans, trade creditors and other monetary liabilities. All financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognized when they extinguished, i.e. when the obligation is discharged or cancelled, or expired.

q Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to Target A and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) commissions and brokerage income from dealing in securities and futures contracts, and funds and bonds are recognized on a trade date basis; and

(ii) interest income is recognised using the effective interest method.

r Financial risk management

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of Target A's business. Target A's exposure to these risks and the financial risk management policies and practices used by Target A to manage these risks are described below.

Credit risk

Target A's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, Target A does not obtain collateral from cash clients. Margin clients are required to pledge securities collateral to Target A in order to obtain credit facilities for securities trading. The amount of credit facility granted to them is determined by the discounted value of securities accepted by Target A. The total market value of securities pledged as collateral in respect of the loans to margin clients as at 31 March 2013, 2014 and 2015 and 30 June 2015 was approximately HK$44,768,000, HK$178,640,000, HK$1,478,177,000 and HK$606,263,000 respectively.

Target A's exposure to credit risk is influenced mainly by the individual characteristics of each client rather than the industry or country in which the clients operate and therefore significant concentrations of credit risk primarily arise when Target A has significant exposure to individual customers. 33%, 13%, 10% and 12% of the total trade and other receivables was due from Target A's largest client as at 31 March 2013, 2014 and 2015 and 30 June 2015 respectively.

Liquidity risk

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

The maturity analysis of Target A's financial liabilities is as follows:

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2013				
Trade and other payables	–	15,244	–	15,244
	–	15,244	–	15,244

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2014				
Amounts due to related companies	5,184	–	–	5,184
Trade and other payables	–	145,145	–	145,145
	5,184	145,145	–	150,329

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015				
Amounts due to related companies	1,901	–	–	1,901
Trade and other payables	–	34,892	–	34,892
Bank loan	–	130,110	–	130,110
	1,901	165,002	–	166,903

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 30 June 2015				
Amounts due to related companies	3,759	–	–	3,759
Trade and other payables	–	151,400	–	151,400
	3,759	151,400	–	155,159

Interest rate risk

Target A is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. Target A currently does not have a policy on cash flow hedges of interest rate risk. However, the management considers the exposure to interest rate risk on bank borrowings is insignificant.

Sensitivity analysis

A reasonably possible change of 50 basis-points interest rates on borrowing with all other variables held constant, would increase/decrease Target A's loss before tax for the years ended 31 March 2014 and 2015 and for the three months ended 30 June 2015 by approximately HK$53,000, HK$33,000 and HK$43,000 respectively.

Foreign currency risk

Target A is exposed to currency risk primarily through trading activities which give rise to receivables, payables and cash balances that involve foreign currencies, i.e. a currency other than the functional currency of the operations to which the transactions relate. Currency risk to Target A is minimal as most of Target A's transactions are carried out in Hong Kong dollars ("**HKD**") and United States dollars ("**USD**"). As the USD is pegged to the Hong Kong dollar ("**HKD**"), Target A considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the Financial Information are described below.

Estimated useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated, or will write-off or write-down obsolete assets that have been abandoned or sold.

Impairment loss of trade and other receivables

Target A's policy for doubtful receivables is based on the on-going evaluation of the collectability and ageing analysis of the trade and other receivables and on management's judgments. Considerable judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor, and the present values of the estimated future cash flows discounted at the effective interest rates. If the financial conditions of Target A's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment loss of trade and other receivables may be required.

6 TURNOVER AND OTHER REVENUE

Target A is principally engaged in dealing in securities, futures, funds and bonds broking, and provision of securities margin financing during the Relevant Periods. Revenue recognised during the Relevant Periods is as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Turnover					
Fees and commission income from securities broking	2,438	1,731	6,688	824	6,251
Fees and commission income from dealing in futures	–	1,061	1,477	303	336
Fees and commission income from dealing in funds and bonds	–	746	3,744	776	1,126
Interest income from cash and margin clients	139	149	1,331	183	737
	2,577	3,687	13,240	2,086	8,450
Other revenue					
Bank interest income	3	4	11	4	2
Management fee income	–	–	244	–	212
Sundry income	55	70	130	25	–
	58	74	385	29	214
Total revenue	2,635	3,761	13,625	2,115	8,664

Information about major customers

A summary of revenue earned from customers which individually contributed over 10% of Target A's revenue during each of the Relevant Periods is set out below:

Year ended 31 March

	2013	Percentage in total revenue	2014	Percentage in total revenue	2015	Percentage in total revenue
	HK$'000		*HK$'000*		*HK$'000*	
Tsang Ming Sophronia	992	38%	502	14%	N/A	N/A

Mr. TSANG Ming Sophronia was a former director appointed on 8 April 2010 and resigned on 29 January 2013.

There was no customer which contributed over 10% of Target A's revenue in the year ended 31 March 2015 and the three months ended 30 June 2014 (unaudited) and 2015.

7 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Staff costs, including directors emoluments	3,528	8,385	8,984	2,886	1,766
Retirement benefits scheme contributions	116	270	307	93	59
Total staff costs	3,644	8,655	9,291	2,979	1,825
Brokerage expenses	124	959	3,478	619	1,840
Depreciation	981	1,667	1,259	442	–
Foreign exchange loss	–	1	11	1	1
Loss on disposal of property, plant and equipment	–	6	154	–	–
Loss on trading of securities	–	–	2,816	–	–
Management fee	–	8,045	19,506	4,536	6,117
Operating leases in respect of land and buildings	3,706	3,706	3,706	927	927
Settlement and CCASS costs	741	441	768	144	514

Target A has no major suppliers due to the nature of its business.

8 AUDITOR'S REMUNERATION

Auditor's remuneration disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditor's remuneration – audit services	61	68	90	19	24

9 FINANCE COSTS

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest on:					
Initial Public Offering loans wholly repayable with one year	–	88	60	–	82
	–	88	60	–	82

10 TAXATION

a No provision for Hong Kong profits tax has been stated in the Financial Information as Target A has no assessable profit for the Relevant Periods.

Reconciliation between tax expenses/(credit) and accounting profit/(loss) at applicable tax rates is as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit/(loss) before taxation	(8,877)	(24,802)	(34,292)	(8,990)	(4,443)
Calculated at applicable rate of 16.5%	(1,465)	(4,092)	(5,658)	(1,483)	(733)
Tax effect of non-deductible expenses	171	279	233	–	–
Tax effect of non-taxable income	–	(1)	(2)	(1)	–
Tax effect of other charges/(allowance)	(33)	(168)	(379)	–	–
Tax effect of unused tax losses not recognised	1,327	3,982	5,806	1,484	733
Tax expenses/(credit) for the year/period	–	–	–	–	–

b At the end of the Relevant Periods, the amount of unrecognised deferred tax assets/(liabilities) is as follows:

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Accelerated depreciation allowances	49	157	–	–
Unused tax losses	2,762	6,744	12,550	13,284
	2,811	6,901	12,550	13,284

No deferred tax asset has been recognised due to the uncertainty of future profit streams against which the asset can be utilised.

11 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

a Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries and other benefits					
SE Yung Yee, David Carven	–	480	1,560	360	390
FUNG Ka Chun Gilbert	–	–	–	–	–
LEE Chi Shing Caesar	–	–	–	–	–
KWOK Chi Chung	–	165	–	–	–
TANG Wai Ling Ada	830	693	–	–	–
MAK Yue Shing	–	–	–	–	–
PANG Chung Yiu Jeff	137	148	–	–	–
TSANG Ming Sophronia	–	–	–	–	–
MA Tor Fuk Dick	–	–	–	–	–
	971	1,486	1,560	360	–
Retirement benefits					
SE Yung Yee, David Carven	–	5	18	4	5
FUNG Ka Chun Gilbert	–	–	–	–	–
LEE Chi Shing Caesar	–	–	–	–	–
KWOK Chi Chung	–	6	–	–	–
TANG Wai Ling Ada	15	10	–	–	–
MAK Yue Shing	–	–	–	–	–
PANG Chung Yiu Jeff	6	5	–	–	–
TSANG Ming Sophronia	–	–	–	–	–
MA Tor Fuk Dick	–	–	–	–	–
	20	26	18	4	–
	991	1,512	1,578	364	–

There are no directors fee paid or accrued and no share options granted to the directors in the Relevant Periods.

The date of appointment as a director and of resignation, if any, of each director is summarised as below:

Mr. SE Yung Yee, David Carven was appointed on 1 December 2013.

Mr. FUNG Ka Chun Gilbert was appointed on 17 June 2014.

Mr. LEE Chi Shing Caesar was appointed on 23 July 2012 and resigned on 17 June 2014.

Mr. KWOK Chi Chung was appointed on 29 July 2013 and resigned on 1 January 2014.

Ms. TANG Wai Ling Ada was appointed on 8 April 2010 and resigned on 1 December 2013.

Mr. MAK Yue Shing was appointed on 29 July 2013 and resigned on 30 July 2013.

Mr. PANG Chung Yiu Jeff was appointed on 23 November 2012 and resigned on 29 July 2013.

Mr. TSANG Ming Sophronia was appointed on 8 April 2010 and resigned on 29 January 2013.

Mr. MA Tor Fuk Dick was appointed on 1 November 2012 and resigned on 23 November 2012.

b Employees' emoluments

Of the five individual with the highest emoluments in Target A, there were one, two, one and one being the directors of Target A in the years ended 31 March 2013, 2014 and 2015 and in the three months ended 30 June 2015 respectively, whose emoluments are included in (a) above. The emoluments of the remaining individuals were as follows:

	Year ended 31 March			**Three months ended 30 June**	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries and other benefits	1,933	2,874	4,211	1,307	970
Retirement benefits	63	48	71	21	26
	1,996	2,922	4,282	1,328	996

The emoluments were within the following bands:

	Number of employees				
	Year ended 31 March			**Three months ended 30 June**	
	2013	**2014**	**2015**	**2014** (unaudited)	**2015**
Nil – HK$1,000,000	5	5	4	5	5
HK$1,000,001 – HK$2,000,000	–	–	1	–	–

During the Relevant Periods, no emoluments were paid by Target A to the five highest paid individuals, including directors, as an inducement to join or upon joining Target A. No director waived any emoluments during the Relevant Periods.

Both Target A and the employees contribute a fixed percentage of the relevant payroll to the Mandatory Provident Fund Scheme. The contribution amount is capped at HK$1,250 per month for the years ended 31 March 2013 and 2014, HK$1,250 before 1 June 2014 and HK$1,500 with effect from 1 June 2014.

Target A's contribution to the Mandatory Provident Fund Scheme are expensed as incurred.

12 DIVIDENDS

No dividend was proposed by the Board for the Relevant Periods.

13 EARNINGS PER SHARE

Earnings per share has not been presented as such information is not meaningful having regard to the purpose of this report.

14 PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements *HK$'000*	Furniture and fixtures *HK$'000*	Office equipment *HK$'000*	Total *HK$'000*
Cost				
At 1 April 2012	2,555	152	1,381	4,088
Additions	772	6	37	815
At 31 March 2013	3,327	158	1,418	4,903
Additions	3	–	872	875
Disposal	–	(36)	–	(36)
At 31 March 2014	3,330	122	2,290	5,742
Additions	25	–	175	200
Disposal	–	(35)	(1,798)	(1,833)
Written-off	(306)	(87)	(667)	(1,060)
At 31 March 2015 and 30 June 2015	3,049	–	–	3,049
Accumulated depreciation and impairment losses				
At 1 April 2012	511	30	493	1,034
Charge for the year	665	32	284	981
At 31 March 2013	1,176	62	777	2,015
Charge for the year	1,211	25	431	1,667
Disposal	–	(15)	–	(15)
At 31 March 2014	2,387	72	1,208	3,667
Charge for the year	907	14	338	1,259
Disposal	–	(37)	(946)	(983)
Written-off	(245)	(49)	(600)	(894)
At 31 March 2015 and 30 June 2015	3,049	–	–	3,049
Carrying amount				
At 31 March 2015 and 30 June 2015	–	–	–	–
Carrying amount				
At 31 March 2014	943	50	1,082	2,075
Carrying amount				
At 31 March 2013	2,151	96	641	2,888

15 OTHER LONG-TERM ASSETS

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deposit with The Stock Exchange of Hong Kong Limited:				
Stamp duty	5	5	5	5
Compensation Fund	50	50	50	50
Fidelity Fund	50	50	50	50
	105	105	105	105
Admission fee paid to Hong Kong Securities Clearing Company Limited	50	50	50	50
Contribution to the Guarantee Fund of Central Clearing and Settlement System	50	50	50	50
	205	205	205	205

16 INTANGIBLE ASSETS

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trading Right				
Cost	500	500	500	500
Impairment losses	–	–	–	–
	500	500	500	500

It is the trading right in the Hong Kong Exchanges and Clearing Limited which allows Target A to trade securities on the Hong Kong Stock Exchange (the "**HKEx**").

No impairment is considered to be required as at the end of each of the Relevant Periods since Target A is actively engaging in activities of trading in securities on the HKEx throughout the Relevant Periods.

17 AMOUNTS DUE FROM ULTIMATE HOLDING COMPANY AND RELATED COMPANIES

The amounts are interest free, unsecured and have no fixed terms of repayment. As at the end of the Relevant Periods, there was no interest due and outstanding and no provision had been made for non-repayment of the loan or interest.

Mr. FUNG Ka Chun Gilbert is a director of both Target A and one of the related companies.

18 TRADE AND OTHER RECEIVABLES

	As at 31 March 2013	As at 31 March 2014	As at 31 March 2015	As at 30 June 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables from:				
Securities – cash clients	–	508	3	76,629
Securities – margin clients	6,964	12,930	166,371	57,052
Securities dealers	–	21,792	25	1,259
Futures dealers	–	942	5,045	4,446
Funds and bonds dealers	–	–	175	238
Clearing house	–	–	8,537	3,005
Others	–	20	–	–
	6,964	36,192	180,156	142,629
Other receivables	2,235	2,280	2,588	3,643
	9,199	38,472	182,744	146,272

Trade receivables from cash clients are due and settled on two business days after trade date. Therefore, no aging analysis is disclosed.

Margin loans due from margin clients are current, repayable on demand and carry interest at Hong Kong Prime Rate plus 3.5% per annum during the years ended 31 March 2013, 2014 and 2015 and the three months ended 30 June 2015.

Trade receivables from dealers are current and repayable on demand.

Trade receivables from clearing house are due and settled on two business days after trade date.

Trade receivables are neither individually nor collectively considered to be impaired.

Included in trade receivables arising from the business of dealing in securities are amounts due from certain directors and their spouses. The details are as follows (refer to Note 11a for the dates of appointment and resignation of the directors):

	Balance at 1 April 2012	Balance at 31 March 2013	Maximum amount outstanding during the year	Market value of pledged securities at 31 March 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Mr. Tsang Ming Sophronia	–	N/A	179,955	N/A
Mr. Pang Chung Yiu Jeff	N/A	–	427	–
Mr. Chan Wai Kwong Ray (Spouse of Ms. Tang Wai Ling Ada)	–	–	18	–

	Balance at 1 April 2013 *HK$'000*	Balance at 31 March 2014 *HK$'000*	Maximum amount outstanding during the year *HK$'000*	Market value of pledged securities at 31 March 2014 *HK$'000*
Mr. Pang Chung Yiu Jeff	–	N/A	125	N/A
Ms. Tang Wai Ling Ada	–	N/A	67	N/A
Mr. Chan Wai Kwong Ray (Spouse of Ms. Tang Wai Ling Ada)	–	N/A	63	N/A
Mr. Kwok Chi Chung	N/A	N/A	1,135	N/A
Mr. Se Yung Yee David Carven	N/A	–	6,115	299

	Balance at 1 April 2014 *HK$'000*	Balance at 31 March 2015 *HK$'000*	Maximum amount outstanding during the year *HK$'000*	Market value of pledged securities at 31 March 2015 *HK$'000*
Mr. Fung Ka Chun Gilbert	N/A	–	50	–
Mr. Se Yung Yee David Carven	–	70	1,586	199

	Balance at 1 April 2015 *HK$'000*	Balance at 30 June 2015 *HK$'000*	Maximum amount outstanding during the period *HK$'000*	Market value of pledged securities at 30 June 2015 *HK$'000*
Mr. Se Yung Yee David Carven	70	–	2,127	–

19 BANK TRUST ACCOUNT BALANCES

Target A maintains segregated trust accounts with licensed banks to hold clients' monies arising from its normal course of business licensed by the Securities and Futures Commission. Target A has classified these clients' monies as bank trust account balances under the current assets section of the statements of financial position and recognised the corresponding accounts payable to the respective clients on the ground that it is liable for any loss or misappropriation of these client's monies. Target A is not permitted to use these clients' monies to settle its own obligations.

20 CASH AND CASH EQUIVALENTS

Target A's cash and cash equivalents are denominated in the following currencies:

	As at 31 March			As at 30 June
	2013	2014	2015	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Hong Kong Dollar ("**HKD**")	28,855	59,761	23,438	49,836
United States Dollar ("**USD**")	–	1,531	3,197	3,211
Renminbi ("**RMB**")	–	11	11	11
Japanese Yen ("**JPY**")	–	–	12	12
	28,855	61,303	26,658	53,070

As the USD is pegged to the HKD, Target A considers the risk of movements in exchange rates between the HKD and the USD to be insignificant.

Target A considers the risk of movements in exchange rates between the HKD and the RMB, and between the HKD and the JPY to be insignificant since the amounts of cash and cash equivalents denominated in these currencies are immaterial to Target A.

21 AMOUNT DUE TO A RELATED COMPANY

The amount is interest free, unsecured and has no fixed terms of repayment.

22 TRADE AND OTHER PAYABLES

	As at 31 March			As at 30 June
	2013	2014	2015	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade payables to:				
Securities – cash clients	2,396	9,065	14,099	19,476
Securities – margin clients	621	103,540	6,248	34,088
Funds and bonds clients	–	22,183	622	1,909
Futures clients	–	3,367	7,361	17,204
Securities dealers	–	–	1	125,810
Clearing house	8,738	1,603	–	–
	11,755	139,758	28,331	198,487
Other payables	3,489	5,387	6,561	8,386
	15,244	145,145	34,892	206,873

All trade payables are repayable on demand or on two business days after trade date. Therefore, no aging analysis is disclosed.

Included in trade payables arising from the business of dealing in securities are amounts due to certain related parties. The details are as follows:

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Shareholder	–	–	–	–
Directors	70	997	2	21
Close family members of directors	1	–	–	–
	71	997	2	21

23 BANK LOAN

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank loan – current				
Amount due for repayment within one year	–	–	130,110	–
Amount due for repayment after one year which contains a repayment on demand clause	–	–	–	–
	–	–	130,110	–
Bank loan – non-current	–	–	–	–
	–	–	130,110	–

Bank loan is repayable in accordance with the agreed repayment schedule as follows:

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	–	–	130,110	–
After one year but within two years	–	–	–	–
After two years but within five years	–	–	–	–
After five years	–	–	–	–
	–	–	130,110	–

Bank loan bears interest at a rate of 1.2% per annum.

Bank loan is secured by the subscribed shares in the Initial Public Offering for which the bank loan is borrowed.

24 CAPITAL

a Share capital

	Number of shares	*HK$'000*
Authorised		
Ordinary shares of HK$1 each		
At 1 April 2012 and 31 March 2013	50,000,000	50,000
At 31 March 2014 and 2015, and 30 June 2015	*Note*	*Note*

Note: Under the Hong Kong Companies Ordinance (Cap. 622) with effect from 3 March 2014, the concept of authorised share capital no longer exists. There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

	Number of shares	*HK$'000*
Issued and fully paid		
Ordinary shares without par value		
At 1 April 2012 and 31 March 2013	50,000,000	50,000
Allotment on 9 May 2013	20,000,000	20,000
Allotment on 26 February 2014	10,000,000	10,000
Allotment on 4 March 2014	10,000,000	10,000
Allotment on 26 March 2014	20,000,000	20,000
At 31 March 2014	110,000,000	110,000
Allotment on 30 June 2014	30,000,000	30,000
At 31 March 2015 and 30 June 2015	140,000,000	140,000

The allotments are for the purpose of providing additional working capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of Target A. All ordinary shares rank equally with regard to Target A's residual assets.

b Capital management

Target A's primary objectives when managing capital are to safeguard Target A's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Target A actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Target A is regulated by the Securities and Futures Commission and is required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance. Management monitors Target A's liquid capital to ensure Target A meets the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules.

Target A monitors its capital structure on the basis of gearing ratio which is Target A's total liabilities over its total assets. Target A's policy is to keep the gearing ratio at a reasonable level. Target A's gearing ratio as at 31 March 2013, 2014 and 2015 and 30 June 2015 was 32%, 69%, 72% and 78% respectively.

25 COMMITMENTS

a Lease commitments

At the end of the Relevant Periods, Target A as lessee had future aggregate minimum lease payments under non-cancelable operating leases in respect of rented premises which fall due as follows:

		As at 31 March		As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Not later than one year	3,706	3,199	–	–
Later than one year but not later than five years	3,199	–	–	–
	6,905	3,199	–	–

Operating lease payments in respect of rented premises represent rentals payable by Target A. Leases are usually negotiated for an average term of three years and rentals are fixed throughout the lease period.

b Capital commitments

At the end of the Relevant Periods, Target A had no capital commitments.

26 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the Relevant Periods are as follows:

		As at 31 March		As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets	44,555	215,651	230,007	269,294
Financial liabilities at amortised cost	15,244	150,329	166,903	210,632

At the end of the Relevant Periods, all financial instruments are carried at amounts not materially different from their fair values.

27 SIGNIFICANT RELATED PARTY TRANSACTIONS

a Significant related party transactions

In addition to the related party transactions and balances disclosed elsewhere in these Financial Information, Target A had the following material transactions with related parties during the Relevant Periods:

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Included in turnover					
Brokerage income received from directors	832	12	9	–	5
Included in other revenue					
Referral income received from a related company	–	50	25	25	–
Management fee income received from related companies	–	–	244	–	211
Included in administrative expenses					
Management fee paid to related companies	–	8,045	19,506	4,536	6,117

The basis of the prices and terms was determined between Target A and the related parties.

For the year ended 31 March 2013:

The brokerage income was received from Ms. TSANG Ming Sophronia. The terms of transactions were on an arms' length basis and hence the director had no significant interest in these transactions.

For the year ended 31 March 2014:

The brokerage income was received from Mr. PANG Chung Yiu Jeff. The terms of transactions were on an arms' length basis and hence the directors had no significant interest in these transactions.

The referral income was received from a related company in which Ms. TANG Wai Ling Ada was one of the directors.

The management fee was paid to a related company in which Mr. LEE Chi Shing Caesar was one of the directors.

For the year ended 31 March 2015:

The brokerage income was received from Mr. SE Yung Yee, David Carven, Mr. FUNG Ka Chun Gilbert and Mr. LEE Chi Shing Caesar. The terms of transactions were on an arms' length basis and hence the directors had no significant interest in these transactions.

The referral income was received from a related company in which Ms. TANG Wai Ling Ada was a former director and Mr. FUNG Ka Chun Gilbert was one of the directors.

The management fee income was received from three related companies. Mr. SE Yung Yee was a director of one of the related companies. Mr. FUNG Ka Chun Gilbert was a director of the three related companies. Ms. TANG Wai Ling Ada was a former director of two of the related companies.

The management fee was paid to two related companies. Mr. LEE Chi Shing Caesar was a director of one of the related companies. Mr. FUNG Ka Chun Gilbert was a director of the another one of the related companies. Ms. TANG Wai Ling Ada was a former director of one of the related companies.

For the three months ended 30 June 2015:

The brokerage income was received from Mr. SE Yung Yee, David Carven. The terms of transactions were on an arms' length basis and hence the directors had no significant interest in these transactions.

The management fee income was received from a related company in which Mr. FUNG Ka Chun Gilbert was one of the directors.

The management fee was paid a related company in which Mr. FUNG Ka Chun Gilbert was one of the directors.

b Compensation of key management personnel

Key management personnel of Target A are the directors of Target A. The remuneration of directors is shown in Note 11a to the Financial Information.

28 SEGMENT INFORMATION

Information reported to the board of directors of Target A, for the purposes of resource allocation and assessment of segment performance focuses on the nature of products sold and services provided by Target A, which is also consistent with the Target A's basis of organization, whereby the businesses are organized and managed separately as individual strategic business units that offers different products and serves different markets. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management, which are consistent with the accounting and measurement criteria in the preparation of the Financial Information.

Specifically, the whole business of Target A forms a single reportable and operating segment.

29 CONTINGENT LIABILITIES

At the end of the Relevant Periods, Target A had no material contingent liabilities.

30 EVENTS AFTER THE END OF THE RELEVANT PERIODS

In August 2015, the Company had conditionally agreed to acquire 100% of the equity interest of Target A through the Purchaser, and Target A had conditionally agreed to sell 100% of its equity interest to the Purchaser. The acquisition has not been approved by the Securities and Futures Commission on the date of this report.

SECTION III – SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Target A in respect of any period subsequent to 30 June 2015 and up to the date of this report. In addition, no dividends or other distributions have been declared, made or paid by Target A in respect of any period subsequent to 30 June 2015.

Yours faithfully,

Certified Public Accountants
Hong Kong,

Kam Hau Choi Anthony
Practising Certificate Number P02558

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China Hong Kong Indonesia Malaysia Singapore
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4 November 2015

The Directors
Sun International Resources Limited
Units 2414–2418, 24th Floor
China Merchants Tower
Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Dear Sirs,

We set out below our report on the Financial Information of Sun International Asset Management Limited ("**Target B**") and its subsidiary (together, "**Target B's Group**"), which comprises the consolidated and company statements of financial position of Target B as at 31 March 2013, 2014 and 2015 and 30 June 2015, and the consolidated statements of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Target B for each of the years ended 31 March 2013, 2014 and 2015 and the three months ended 30 June 2015 (the "**Relevant Periods**") and a summary of significant accounting policies and other explanatory information (the "**Financial Information**"). This Financial Information has been prepared by the directors of Sun International Resources Limited (the "**Company**") and is set out in Sections I to III below for inclusion in Appendix III to the circular of the Company dated 4 November 2015 (the "**Circular**") in connection with the proposed acquisition of the entire equity interest in Target B by Infinite Success Investments Limited (the "**Purchaser**"), a company incorporated in the British Virgin Islands (the "**BVI**") with limited liability and an indirect wholly-owned subsidiary of the Company.

Target B is a company incorporated in Hong Kong with limited liability on 15 January 2008. The principal business activities of Target B is to carry on type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities in Hong Kong as defined under the Hong Kong Securities and Futures Ordinance (the "**SFO**").

During the Relevant Periods, Target B has direct interests in the subsidiary as set out in Note 19 of Section II below. All companies comprising Target B's Group have adopted 31 March as their financial year end date. Target B has disposed all of the interests in the subsidiary on 31 March 2015.

The directors of Target B are responsible for the preparation of the consolidated financial statements of Target B's Group for the Relevant Periods that give a true and fair view in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**Underlying Financial Statements**"), and for such internal control as the directors determine is necessary to enable the preparation of the Underlying Financial Statements that are free from material misstatement, whether due to fraud or error. We have audited the Underlying Financial Statements for the years ended 31 March 2014 and 2015 and for the three months ended 30 June 2015 in accordance with Hong Kong Standards on Auditing ("**HKSAs**") issued by the HKICPA pursuant to separate terms of engagement. The Underlying Financial Statements for Target B's Group for the year ended 31 March 2013 were audited by Alex Chung & Company, Certified Public Accountants. For the purpose of issuing this report, we have carried out an independent audit on the Underlying Financial Statements for Target B's Group for the year ended 31 March 2013.

We have been the auditors of Target B for the years ended 31 March 2014 and 2015.

We have not audited any financial statements of Target B in respect of any period subsequent to 31 March 2015.

The Financial Information has been prepared based on the Underlying Financial Statements of Target B with no adjustments we consider as required to be made thereon.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL INFORMATION

The directors of the Company are responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs, the Hong Kong Companies Ordinance, the Hong Kong Securities and Futures (Accounts and Audit) Rules and the accounting policies adopted by the Company and its subsidiaries (together, the "**Group**") as set out in the annual report of the Company for the year ended 31 March 2015, and includes applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

REPORTING ACCOUNTANTS' RESPONSIBILITY

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

OPINION

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of Target B and of Target B's Group as at 31 March 2013, 2014 and 2015 and 30 June 2015 and the results and cash flows of Target B's Group for the Relevant Periods then ended.

REVIEW OF STUB PERIOD COMPARATIVE FINANCIAL INFORMATION

We have reviewed the stub period comparative financial information set out in Sections I to II below included in Appendix II to the Circular which comprises the consolidated statement of profit or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Target B for the three months ended 30 June 2014 and a summary of significant accounting policies and other explanatory information (the "**Stub Period Comparative Financial Information**").

The directors of the Company are responsible for the preparation and presentation of the Stub Period Comparative Financial Information in accordance with the accounting policies set out in Note 4 of Section II below and the accounting policies adopted by the Group as set out in the annual report of the Company for the year ended 31 March 2015.

Our responsibility is to express a conclusion on the Stub Period Comparative Financial Information based on our review. We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of Stub Period Comparative Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the Stub Period Comparative Financial Information, for the purpose of this report, is not prepared, in all material respects, in accordance with the accounting policies set out in Note 4 of Section II below.

SECTION I – FINANCIAL INFORMATION OF TARGET B AND TARGET B'S GROUP

Consolidated statements of profit or loss and other comprehensive income

		Year ended 31 March			Three months ended 30 June	
		2013	2014	2015	2014	2015
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
					(unaudited)	
Turnover		–	–	–	–	–
Cost of sales		–	–	–	–	–
Gross profit/(loss)		–	–	–	–	–
Other revenue	*6*	–	15	16	16	–
Administrative expenses		(165)	(846)	(1,332)	(445)	(130)
Operating profit/(loss)	*7*	(165)	(831)	(1,316)	(429)	(130)
Finance costs		–	–	–	–	–
Profit/(loss) before taxation		(165)	(831)	(1,316)	(429)	(130)
Taxation	*9a*	–	–	–	–	–
Profit/(loss) for the year/period		(165)	(831)	(1,316)	(429)	(130)
Other comprehensive income		–	–	–	–	–
Profit/(loss) and total comprehensive income/(expense) for the year/period and attributable to owners of Target B		(165)	(831)	(1,316)	(429)	(130)

The accompanying notes form an integral part of the Financial Information of Target B and Target B's Group.

Consolidated statements of financial position

		As at 31 March			As at30 June
		2013	**2014**	**2015**	**2015**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment	*14*	1	–	–	–
Current assets					
Rental and other deposits		49	–	–	–
Cash and cash equivalents	*15*	433	4,296	3,923	3,822
		482	4,296	3,923	3,822
Current liabilities					
Amount due to a related company	*16*	16	40	–	23
Other payables and accrued charges		65	42	25	31
		81	82	25	54
Net current assets/(liabilities)		401	4,214	3,898	3,768
Total assets less current liabilities		402	4,214	3,898	3,768
Capital and reserves					
Share capital	*17*	857	5,500	6,500	6,500
Reserves	*18*	(455)	(1,286)	(2,602)	(2,732)
		402	4,214	3,898	3,768

The accompanying notes form an integral part of the Financial Information of Target B and Target B's Group.

Consolidated statements of changes in equity

	Share capital	Accumulated profits/(losses)	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2012	600	(290)	310
Issue of shares	257	–	257
Profit/(loss) and total comprehensive income/(expense) for the year	–	(165)	(165)
At 31 March 2013	857	(455)	402
Issue of shares	4,643	–	4,643
Profit/(loss) and total comprehensive income/(expense) for the year	–	(831)	(831)
At 31 March 2014	5,500	(1,286)	4,214
Issue of shares	1,000	–	1,000
Profit/(loss) and total comprehensive income/(expense) for the year	–	(1,316)	(1,316)
At 31 March 2015	6,500	(2,602)	3,898
Profit/(loss) and total comprehensive income/(expense) for the period	–	(130)	(130)
At 30 June 2015	6,500	(2,732)	3,768
At 1 April 2014	5,500	(1,286)	4,214
Issue of shares	1,000	–	1,000
Profit/(loss) and total comprehensive income/(expense) for the period	–	(429)	(429)
At 30 June 2014 (unaudited)	6,500	(1,715)	4,785

Consolidated statements of cash flows

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Cash flows from operating activities					
Profit/(loss) before taxation	(165)	(831)	(1,316)	(429)	(130)
Adjustments for:					
Loss on disposal of property, plant and equipment	–	1	–	–	–
Sundry income – loan waived	–	–	(16)	(16)	–
Operating profit/(loss) before working capital changes	(165)	(830)	(1,332)	(445)	(130)
(Increase)/decrease in operating assets					
Rental and other deposits	51	49	–	–	–
Increase/(decrease) in operating liabilities					
Amount due to a related company	16	24	(40)	278	23
Other payables and accrued charges	54	(22)	(2)	7	6
Cash generated from operations	(44)	(780)	(1,374)	(160)	(101)
Profits tax paid	–	–	–	–	–
Net cash (used in)/from operating activities	(44)	(780)	(1,374)	(160)	(101)
Cash flows from investing activities					
Interest received	–	–	–	–	–
Net cash (used in)/from investing activities	–	–	–	–	–
Cash flows from financing activities					
Proceeds from issue of shares	257	4,643	1,000	1,000	–
Net cash (used in)/from financing activities	257	4,643	1,000	1,000	–
Net increase/(decrease) in cash and cash equivalents	213	3,863	(373)	840	(101)
Cash and cash equivalents at beginning of year/period	220	433	4,296	4,296	3,923
Cash and cash equivalents at end of year/period	433	4,296	3,923	5,136	3,822
Analysis of balances of cash and cash equivalents					
Cash and bank balances	433	4,296	3,923	5,136	3,822

SECTION II - NOTES TO FINANCIAL INFORMATION OF TARGET B AND TARGET B'S GROUP

1 GENERAL INFORMATION

Target B was incorporated in Hong Kong as a private company with limited liability on 15 January 2008 under the Companies Ordinance of Hong Kong. With effect from 18 October 2013, the name of Target B has been changed from Up Way Global Fund Management Limited to Sun International Asset Management Limited. The address of its registered office and principal place of business is Units 3703-08, 37/F, ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong.

Target B is a licensed corporation under the Hong Kong Securities and Futures Ordinance (the "**SFO**") to carry on type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities in Hong Kong as defined under the SFO.

The principal activity of Target B's subsidiary is set out in Note 19.

In the opinion of the directors of the Company, Sun International Financial Group Limited, a company incorporated in the British Virgin Islands, is the immediate parent and ultimate controlling party of Target B.

2 BASIS OF PRESENTATION

For the purposes of this report, the Financial Information has been prepared and presented on a basis in accordance with the principles of the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The consolidated statements of financial position, the consolidated statements of profits or loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Target B's Group for the Relevant Periods have been prepared by combining the assets, liabilities and results of the companies comprising Target B's Group using their existing book values.

The results of the subsidiaries acquired or disposed of during the Relevant Periods are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intra-group transactions and balances, if any, have been eliminated on combination.

The Financial Information is presented in thousands of units of Hong Kong dollars (HK$'000), which is the functional and presentation currency of Target B's Group, unless otherwise stated.

3 APPLICATION OF NEW AND REVISED HKFRSs

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, Target B's Group has consistently applied the Hong Kong Accounting Standards (the "**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as the "**HKFRSs**") which are effective for the accounting period beginning on 1 April 2014 throughout the Relevant Periods.

New and revised standards and interpretations in issue but not yet effective

HKFRS 9	Financial Instruments[1]
HKFRS 14	Regulatory Deferral Accounts[2]
HKFRS 15	Revenue from Contracts with Customers[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception[5]
Amendments to HKAS 1	Disclosure initiative[5]
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations[5]
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[5]
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants[5]
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions[4]
Amendments to HKAS 27	Equity Method in Separate Financial Statements[5]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[5]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle[6]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle[4]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012-2014 Cycle[5]

1 Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.
2 Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
3 Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
4 Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.
5 Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions, earlier application permitted.

Target B has not early adopted the above new and revised HKFRSs.

Target B is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Financial Information.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis of preparation

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA, accounting principles generally accepted in Hong Kong, the requirements of the Hong Kong Companies Ordinance and the Hong Kong Securities and Futures (Accounts and Audit) Rules. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("**HKASs**"); and Interpretations. In addition, the Financial Information includes applicable disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared under the historical cost convention.

b Subsidiaries

Subsidiaries are entities controlled by Target B's Group. Target B's Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

When Target B's Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss.

In Target B's statements of financial position, an investment in a subsidiary is stated at cost less impairment losses, unless the investment is classified as held for sale.

c Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is calculated to write off the cost or valuation of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives at the following annual rates:

Furniture and fixtures	20%

d Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

e Other payables and accrued charges

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

f Taxation

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

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

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

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

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

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

g Provisions

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

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

h Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the Relevant Periods in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

i Related parties

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

(i) has control or joint control over Target B's Group;

(ii) has significant influence over Target B's Group; or

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

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

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

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

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

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

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

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

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

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

j Segment reporting

Operating segments, and the amounts of each segment item reported in the accounts, are identified from the Financial Information provided regularly to the most senior executive management of Target B's Group for the purposes of allocating resources to, and assessing the performance of, the various lines of businesses and operations in different geographical locations of Target B's Group.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of services and products, the type or class of customers, the methods used to provide the services or distribute the products, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

k Impairment of non-financial assets

Impairment of other receivables

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

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

Impairment of other assets

Internal and external sources of information are reviewed at the end of each of the Relevant Periods to identify indications that property, plant and equipment, intangible assets and other long-term assets in the consolidated and company statements of financial position of Target B's Group and of Target B may be impaired or an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

l Financial instruments

Financial assets and financial liabilities are recognised in the consolidated and company statements of financial position of Target B's Group and of Target B when Target B's Group or Target B becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the consolidated statements of profit or loss and other comprehensive income.

Financial assets

All regular way purchases or sales of financial assets are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each of the Relevant Periods. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been impacted.

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

(i) significant financial difficulty of the issuer or counterparty; or

(ii) default or delinquency in interest or principal payments; or

(iii) it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

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

The carrying amount of the financial asset is reduced by the impairment loss either directly or through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in the consolidated statements of profit or loss and other comprehensive income. When a trade receivable is considered uncollectible, it is written off either directly or against the allowance account. Subsequent recoveries of amounts previously written off are credited to the statements of profit or loss and other comprehensive income.

Financial liabilities

Financial liabilities include monetary liabilities. All financial liabilities are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Financial liabilities are derecognised when they extinguished, i.e. when the obligation is discharged or cancelled, or expired.

m Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to Target B's Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) revenue from provision of asset management and advisory services is recognised by reference to the stage of completion of the transaction at the end of the Relevant Periods; and

(ii) interest income is recognised using the effective interest method.

n Financial risk management

Exposure to liquidity risk arises in the normal course of the business of Target B's Group. Exposure to these risks of Target B's Group and the financial risk management policies and practices used by Target B's Group to manage these risks are described below.

Liquidity risk

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

The maturity analysis of the financial liabilities of Target B's Group is as follows:

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2013				
Amount due to a related company	16	–	–	16
Other payables and accrued charges	–	65	–	65
	16	65	–	81

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2014				
Amount due to a related company	40	–	–	40
Other payables and accrued charges	16	26	–	42
	56	26	–	82

	On demand	**Less than 1 year**	**Between 1 and 5 years**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 31 March 2015				
Other payables and accrued charges	–	25	–	25
	–	25	–	25

	On demand	Less than 1 year	Between 1 and 5 years	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At 30 June 2015				
Amount due to a related company	23	–	–	23
Other payables and accrued charges	–	31	–	31
	23	31	–	54

5 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the accounting policies of Target B's Group, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the Financial Information and major sources of estimation uncertainty are described below.

Estimated useful lives of property, plant and equipment

Management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation charges where useful lives are less than previously estimated, or will write-off or write-down obsolete assets that have been abandoned or sold.

6 OTHER REVENUE

Target B's Group is principally engaged in the provision of asset management and advisory services in respect of securities and futures contracts during the Relevant Periods. Revenue recognised during the Relevant Periods is as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Other revenue					
Sundry income	–	15	16	16	–
Total revenue	–	15	16	16	–

Information about major customers

Target B's Group had no customer throughout the Relevant Periods.

7 OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Staff costs, including directors emoluments	–	433	–	–	–
Retirement benefits scheme contributions	–	21	–	–	–
Total staff costs	–	454	–	–	–
Loss on disposal of property, plant and equipment	–	1	–	–	–
Management fee	100	310	1,304	438	123

Target B's Group has no major suppliers due to the nature of its business.

8 AUDITOR'S REMUNERATION

Auditor's remuneration disclosed pursuant to Part 2 of Schedule 4 of the Hong Kong Companies Ordinance are as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Auditor's remuneration – audit services	12	23	25	7	5

9 TAXATION

a No provision for Hong Kong profits tax has been stated in the Financial Information as Target B and its subsidiary has no assessable profit for the Relevant Periods.

Reconciliation between tax expenses/(credit) and accounting profit/(loss) at applicable tax rates is as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit/(loss) before taxation	(165)	(831)	(1,316)	(429)	(130)
Calculated at applicable rate of 16.5%	(27)	(137)	(217)	(71)	(21)
Tax effect of non-deductible expenses	27	4	–	–	–
Tax effect of non-taxable income	–	–	(3)	(3)	–
Tax effect of unused tax losses not recognised	–	133	220	74	21
Tax expenses/(credit) for the year/period	–	–	–	–	–

b At the end of the Relevant Periods, the amount of unrecognised deferred tax assets/(liabilities) is as follows:

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Accelerated depreciation allowances	–	–	–	–
Unused tax losses	33	166	386	407
	33	166	386	407

No deferred tax asset has been recognised due to the uncertainty of future profit streams against which the asset can be utilised.

10 PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF TARGET B

The loss of Target B's Group attributable to shareholders of Target B recorded in the Financial Information of Target B is approximately HK$149,000, HK$895,000, HK$1,332,000 and HK$130,000 for the years ended 31 March 2013, 2014 and 2015 and the three months ended 30 June 2015 respectively.

11 DIRECTORS' AND EMPLOYEES' EMOLUMENTS

a Directors' emoluments

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries and other benefits					
LEUNG Yin Wah, Evelyn	–	264	–	–	–
FUNG Ka Chun Gilbert	–	–	–	–	–
SE Yung Yee, David Carven	–	–	–	–	–
LIT Kwok Wah	–	–	–	–	–
CHEUNG Tin Shing	–	–	–	–	–
HUEN Kit Yee	–	–	–	–	–
SEE Lee Seng, Reason	–	–	–	–	–
CHAN Shu Kai	–	42	–	–	–
KWOK Shun Tim	–	–	–	–	–
LUK Tai Choi	–	–	–	–	–
	–	306	–	–	–

	Year ended 31 March			Three months ended 30 June	
	2013	2014	2015	2014	2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Retirement benefits					
LEUNG Yin Wah, Evelyn	–	13	–	–	–
FUNG Ka Chun Gilbert	–	–	–	–	–
SE Yung Yee, David Carven	–	–	–	–	–
LIT Kwok Wah	–	–	–	–	–
CHEUNG Tin Shing	–	–	–	–	–
HUEN Kit Yee	–	–	–	–	–
SEE Lee Seng, Reason	–	–	–	–	–
CHAN Shu Kai	–	2	–	–	–
KWOK Shun Tim	–	–	–	–	–
LUK Tai Choi	–	–	–	–	–
	–	15	–	–	–

There were no directors fee paid or accrued and no share options granted to the directors in the Relevant Periods.

The date of appointment as a director and of resignation, if any, of each director is summarised as below:

Ms. LEUNG Yin Wah, Evelyn was appointed on 9 January 2012.

Mr. FUNG Ka Chun Gilbert was appointed on 25 August 2014.

Mr. SE Yung Yee, David Carven was appointed on 22 November 2013, resigned on 28 May 2014 and re-appointed on 25 August 2014.

Mr. LIT Kwok Wah was appointed on 13 February 2015.

Mr. CHEUNG Tin Shing was appointed on 28 May 2014 and resigned on 22 September 2014.

Ms. HUEN Kit Yee was appointed on 28 May 2014 and resigned on 25 August 2014.

Mr. SEE Lee Seng, Reason was appointed on 15 January 2008 and resigned on 22 November 2013.

Mr. CHAN Shu Kai was appointed on 9 January 2012 and resigned on 1 June 2013.

Mr. KWOK Shun Tim was appointed on 9 January 2012 and resigned on 5 February 2013.

Mr. LUK Tai Choi was appointed on 9 January 2012 and resigned on 2 November 2012.

b Employees' emoluments

There were no directors' and employees' emoluments paid in the years ended 31 March 2013 and 2015. Of the two individuals with the highest emoluments in Target B's Group, there were one being a director and one being a former director of Target B's Group in the year ended 31 March 2014, whose emoluments are included in (a) above. The emoluments of the remaining individuals were as follows:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
				(unaudited)	
Salaries and other benefits	–	433	–	–	–
Retirement benefits	–	21	–	–	–
	–	454	–	–	–

The emoluments were within the following bands:

	Number of employees				
	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
				(unaudited)	
Nil – HK$1,000,000	–	2	–	–	–

During the Relevant Periods, no emoluments were paid by Target B's Group to the two highest paid individuals, including directors, as an inducement to join or upon joining Target B's Group. No director waived any emoluments during the Relevant Periods.

Both Target B's Group and the employees contribute a fixed percentage of the relevant payroll to the Mandatory Provident Fund Scheme. The contribution amount is capped at HK$1,250 per month for the years ended 31 March 2013 and 2014, HK$1,250 before 1 June 2014 and HK$1,500 with effect from 1 June 2014.

The contribution to the Mandatory Provident Fund Scheme of Target B's Group are expensed as incurred.

12 DIVIDENDS

No dividend was proposed by the Board for the Relevant Periods.

13 EARNINGS PER SHARE

Earnings per share has not been presented as such information is not meaningful having regard to the purpose of this report.

14 PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures *HK$'000*
Cost	
At 1 April 2012	2
Additions	–
At 31 March 2013	2
Disposal	(2)
At 31 March 2014 and 2015, and 30 June 2015	–
Accumulated depreciation and impairment losses	
At 1 April 2012	–
Charge for the year	1
At 31 March 2013	1
Disposal	(1)
At 31 March 2014 and 2015, and 30 June 2015	–
Carrying amount	
At 31 March 2014 and 2015, and 30 June 2015	–
Carrying amount	
At 31 March 2013	1

15 CASH AND CASH EQUIVALENTS

Cash and cash equivalents of Target B's Group are denominated in the Hong Kong Dollar.

16 AMOUNT DUE TO A RELATED COMPANY

The amount is interest free, unsecured and has no fixed terms of repayment.

17 CAPITAL

a Share capital

	Number of shares	*HK$'000*
Authorised		
Ordinary shares of HK$1 each		
At 1 April 2012	600,000	600
At 31 March 2013	1,000,000	1,000
At 31 March 2014 and 2015, and 30 June 2015	*Note*	*Note*

Note: Under the Hong Kong Companies Ordinance (Cap. 622) with effect from 3 March 2014, the concept of authorised share capital no longer exists. There is no impact on the number of shares in issue or the relative entitlement of any of the shareholders as a result of this transition.

	Number of shares	*HK$'000*
Issued and fully paid		
Ordinary share without par value		
At 1 April 2012	600,000	600
Allotment on 28 March 2013	257,142	257
At 31 March 2013	857,142	857
Allotment on 23 October 2013	4,142,858	4,143
Allotment on 31 March 2014	500,000	500
At 31 March 2014	5,500,000	5,500
Allotment on 25 June 2014	1,000,000	1,000
At 31 March 2015 and 30 June 2015	6,500,000	6,500

The allotments are for the purpose of providing additional working capital.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of Target B. All ordinary shares rank equally with regard to Target B's residual assets.

b Capital management

The primary objectives of Target B's Group when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

Target B's Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Target B is regulated by the Securities and Futures Commission and is required to comply with certain minimum capital requirements according to the Securities and Futures Ordinance. Management monitors Target B's liquid capital to ensure it meets the minimum liquid capital requirement in accordance with the Securities and Futures (Financial Resources) Rules.

Target B's Group monitors its capital structure on the basis of gearing ratio which is its total liabilities over its total assets. Its policy is to keep the gearing ratio at a reasonable level. Its gearing ratio as at 31 March 2013, 2014 and 2015 and 30 June 2015 was 17%, 2%, 1% and 1% respectively.

18 RESERVES

Movement in components of reserves of Target B's Group is shown in the consolidated statements of changes in equity on III-6.

Movement in components of reserves of Target B:

	Accumulated losses *HK$'000*
Balance as at 1 April 2012	(226)
Profit/(loss) for the year	(149)
Balance as at 31 March 2013	(375)
Profit/(loss) for the year	(895)
Balance as at 31 March 2014	(1,270)
Profit/(loss) for the year	(1,332)
Balance as at 31 March 2015	(2,602)
Profit/(loss) for the period	(130)
Balance as at 30 June 2015	(2,732)

19 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION OF TARGET B

		As at 31 March			As at 30 June
		2013	**2014**	**2015**	**2015**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Property, plant and equipment		1	–	–	–
Investment in a subsidiary		64	–	–	–
		65	–	–	–
Current assets					
Prepayment, deposits and other receivables		49	–	–	–
Cash and cash equivalents		433	4,296	3,923	3,822
		482	4,296	3,923	3,822
Current liabilities					
Amount due to a related company		–	40	–	23
Other payables and accrued charges		65	26	25	31
		65	66	25	54
Net current assets/(liabilities)		417	4,230	3,898	3,768
		482	4,230	3,898	3,768
Capital and reserves					
Share capital		857	5,500	6,500	6,500
Reserves	*18*	(375)	(1,270)	(2,602)	(2,732)
		482	4,230	3,898	3,768

At the end of the Relevant Periods, details of the investment in a subsidiary were set out as follows:

Name	Place of incorporation and operation	Proportion of ownership interest and voting power				Nature of business
		As at 31 March			As at 30 June	
		2013	2014	2015	2015	
Equities held directly						
Up Way Global Equity Growth Fund Limited	Cayman Islands	100%	100%	Nil	Nil	Engaged in investment business and deregistered on 31 March 2015

20 COMMITMENTS

a Lease commitments

At the end of the Relevant Periods, Target B's Group as lessee had future aggregate minimum lease payments under non-cancelable operating leases in respect of rented premises which fall due as follows:

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Not later than one year	20	–	–	–
Later than one year but not later than five years	–	–	–	–
	20	–	–	–

Operating lease payments in respect of rented premises represent rentals are payable by Target B's Group.

b Capital commitments

At the end of the Relevant Periods, Target B's Group had no capital commitments.

21 FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments at the end of the Relevant Periods are as follows:

	As at 31 March			As at 30 June
	2013	**2014**	**2015**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Financial assets	482	4,296	3,923	3,822
Financial liabilities at amortised cost	81	82	25	54

At the end of the Relevant Periods, all financial instruments are carried at amounts not materially different from their fair values.

22 SIGNIFICANT RELATED PARTY TRANSACTIONS

a Significant related party transactions

In addition to the related party transactions and balances disclosed elsewhere in these Financial Information, Target B's Group had the following material transactions with related parties during the Relevant Periods:

	Year ended 31 March			Three months ended 30 June	
	2013	**2014**	**2015**	**2014**	**2015**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Included in administrative expenses					
Management fee paid to holding company	100	–	–	–	–
Management fee paid to related companies	–	310	1,304	438	123

The basis of the prices and terms was determined between Target B's Group and the related parties.

For the year ended 31 March 2013:

The management fee was paid to the holding company in which Mr. SEE Lee Seng, Reason, Mr. CHAN Shu Kai and Ms. LEUNG Yin Wah, Evelyn were three of the directors and Mr. KWOK Shun Tim was a former director. Mr. SEE Lee Seng, Reason was interested in this transaction to the extent that he had beneficial interest in the holding company.

For the year ended 31 March 2014:

The management fee was paid to a related company in which none of the directors of Target B had control or beneficial interest in the related company.

For the year ended 31 March 2015:

The management fee was paid to three related companies. Mr. FUNG Ka Chun Gilbert was a director of the three related companies. Mr. SE Yung Yee, David Carven was a director of one of the related companies. Mr. CHEUNG Tin Shing was a former director of one of the related companies.

For the three months ended 30 June 2015:

The management fee was paid to a related company. Mr. FUNG Ka Chun Gilbert was a director of the related company.

b Compensation of key management personnel

Key management personnel of Target B's Group are the directors of Target B's Group. The remuneration of directors is shown in Note 11a to the Financial Information.

23 SEGMENT INFORMATION

Information reported to the board of directors of Target B, for the purposes of resource allocation and assessment of segment performance focuses on the nature of products sold and services provided by Target B's Group, which is also consistent with the basis of organization of Target B's Group, whereby the businesses are organized and managed separately as individual strategic business units that offers different products and serves different markets. Segment information is measured in accordance with the accounting policies and measurement criteria adopted by each segment when reporting to management, which are consistent with the accounting and measurement criteria in the preparation of the Financial Information.

Specifically, the whole business of Target B's Group forms a single reportable and operating segment.

24 CONTINGENT LIABILITIES

At the end of the Relevant Periods, Target B's Group had no material contingent liabilities.

25 EVENTS AFTER THE END OF THE RELEVANT PERIODS

On 20 August 2015, the share capital was increased from HK$6,500,000 to HK$7,300,000 by the allotment of 800,000 shares for consideration of HK$1 each.

In August 2015, the Company had conditionally agreed to acquire 100% of the equity interest of Target B through the Purchaser, and Target B had conditionally agreed to sell 100% of its equity interest to the Purchaser. The acquisition has not been approved by the Securities and Futures Commission on the date of this report.

SECTION III – SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by Target B in respect of any period subsequent to 30 June 2015 and up to the date of this report. In addition, no dividends or other distributions have been declared, made or paid by Target B in respect of any period subsequent to 30 June 2015.

Yours faithfully,

Certified Public Accountants
Hong Kong

Kam Hau Choi Anthony
Practising Certificate Number P02558

1. UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of Sun International Resources Limited and its subsidiaries (the "Group"), Sun International Securities Limited ("Target A") and Sun International Asset Management Limited ("Target B") (the Group, Target A and Target B are collectively referred to as the "Enlarged Group") ("Unaudited Pro Forma Financial Information"), which has been prepared on the basis of the notes set forth below for the purpose of illustrating the effects of the 100% equity interest in the Target A and Target B (the "Acquisition"), as if it had been completed on 31st March, 2015.

This Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purposes only, based on their judgments, estimations and assumptions and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Acquisition been completed on 31st March, 2015, where appropriate, or any future day.

The Unaudited Pro Forma Financial Information has been prepared based on the audited consolidated statement of financial position of the Group as at 31st March, 2015 as set out in the Company's published annual report for the year ended 31st March, 2015 and the audited statement of financial position of the Target A and Target B as at 31st March, 2015 as set out in the accountants' report in Appendix II and III respectively to this Investment Circular after giving effect to the unaudited pro forma adjustments as described in the accompanying notes.

The Unaudited Pro Forma Financial Information should be read in conjunction with other financial information included elsewhere in this Circular.

UNAUDITED PRO FORMA STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP AT 31 MARCH 2015

	Audited consolidated statement of assets and liabilities of the Group at 31 March 2015	Audited statement of assets and liabilities of Target A at 31 March 2015	Audited consolidated statement of assets and liabilities of Target B at 31 March 2015	Sub-total 31 March 2015	Pro Forma Adjustment	Unaudited pro forma statement of assets and liabilities of the Enlarged Group at 31 March 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*		*Note 4*	
Non-current assets						
Goodwill	6,528	–	–	6,528	52,457	58,985
Property, plant and equipment	57,352	–	–	57,352	–	57,352
Other long-term assets	–	205	–	205	–	205
Intangible assets	–	500	–	500	–	500
Investment in an associate	165,683	–	–	165,683	–	165,683
Biological assets – stallions	78,572	–	–	78,572	–	78,572
	308,135	705	–	308,840	52,457	361,297
Current assets						
Biological assets – bloodstocks	127,802	–	–	127,802	–	127,802
Inventories	808	–	–	808	–	808
Trade receivables	75,355	180,156	–	255,511	–	255,511
Prepayments, deposits and other receivables	10,533	2,588	–	13,121	–	13,121
Amount due from related company	–	61	–	61	–	61
Amount due from non-controlling shareholders of a subsidiary	9,360	–	–	9,360	–	9,360
Tax recoverables	7,260	–	–	7,260	–	7,260
Bank trust accounts balances	–	20,545	–	20,545	–	20,545
Bank balances and cash	50,439	26,658	3,923	81,020	–	81,020
	281,557	230,008	3,923	515,488	–	515,488

	Audited consolidated statement of assets and liabilities of the Group at 31 March 2015	Audited statement of assets and liabilities of Target A at 31 March 2015	Audited consolidated statement of assets and liabilities of Target B at 31 March 2015	Sub-total 31 March 2015	Pro Forma Adjustment	Unaudited pro forma statement of assets and liabilities of the Enlarged Group at 31 March 2015
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3*		*Note 4*	
Current liabilities						
Trade payables	8,465	28,330	–	36,795	–	36,795
Accruals and other payables	37,437	6,562	25	44,024	–	44,024
Deposits received and deferred income	5,104	–	–	5,104	–	5,104
Amount due to related company	–	1,901	–	1,901	–	1,901
Bank loan	–	130,110	–	130,110	–	130,110
Promissory note	140,000	–	–	140,000	–	140,000
	191,006	166,903	25	357,934	–	357,934
Net current assets	90,551	63,105	3,898	157,554	–	157,554
Non-current liabilities						
Promissory note	–	–	–	–	120,165	120,165
Medium-terms bonds	221,000	–	–	221,000	–	221,000
	221,000	–	–	221,000	120,165	341,165
Total net assets	177,686	63,810	3,898	245,394	(67,708)	177,686

Notes to the Unaudited Pro Forma Financial information of the Enlarged Group:

1) The balances are extracted from the audited consolidated statement of financial position of the Group as at 31st March, 2015 as set out in the Company's published annual report for the year ended 31st March, 2015.

2) The balances are extracted from the statement of financial position of the Target A as at 31st March, 2015 as set out in the accountants' report in Appendix II to the Circular.

3) The balances are extracted from the consolidated statement of financial position of the Target B as at 31st March, 2015 as set out in the accountants' report in Appendix III to the Circular.

4) On 19th August, 2015, the Infinite Success Investments Limited, a wholly-owned subsidiary of the Company ("Purchaser"), entered into an acquisition agreement with Sun International Financial Group Limited ("Vendor") for the acquisition of 100% of equity interest in the Target A and Target B (collectively referred to as "Target Companies").

   Total consideration for the acquisition of Target Companies amounted to HK$147,300,000, which shall be satisfied by way of issuance of HK$147,300,000 promissory note to the Vendor.

   According to the acquisition agreement, the Vendor has irrevocably and unconditionally warranted and guaranteed to the Purchaser that the aggregate profits before taxation and extraordinary items of the Target Companies for the year ending 31 March 2016 will not be less than zero (the "Breakeven Guarantee").

   In the event the actual aggregate profit before taxation and extraordinary items of any of the Target Companies for the year ending 31 March 2016 (the "Actual Profit") shall be less than zero, the Vendor shall compensate the Purchaser an amount equivalent to the absolute aggregate amount of loss recorded by the Target Companies (the "Shortfall").

   In case the Breakeven Guarantee is not fulfilled, the compensation obligation of the Vendor shall be discharged by way of setting off the Shortfall against the face value of the Promissory Note on a dollar for dollar basis within three business days from the date of the Guarantee Certificate. In the event that there shall remain any balance of the Shortfall after the Promissory Note is fully set off, such balance of the Shortfall shall be paid by the Vendor to the Purchaser in cash within seven business days after the set-off.

   The final consideration after adjustments under the Breakeven Guarantee shall be HK$147,300,000 minus the Shortfall.

   For the purpose of preparing the unaudited pro forma financial information of the Enlarged Group, the directors do not take into account the Shortfall which may impact the final consideration of the Acquisition and the consideration was determined after arm's length negotiations between the Vendor and the Company on normal commercial terms. The fair values of Breakeven Guarantee is subject to the change at actual completion date.

   The Promissory Notes with total face value of HK$147,300,000 shall be issued, which bear interest at 2% per annum with a maturity of 3 years. The fair values of the Promissory Notes in aggregation of HK$120,165,000 at 31 March 2015 are based on the valuation carried out by Roma Appraisals Limited, an independent professional valuer not connected with the Group. The fair values of the liability components of the Promissory Notes by discounting the estimated contractual cash flows over the remaining contractual terms of the Promissory Notes at the interest rates that were appropriate to the riskiness of the Promissory Notes.

4a) The recognition of unaudited pro forma goodwill arising on the Acquisitions as if the Acquisitions had been completed as at 31 March 2015 is as follows:

	HK$'000
Total consideration at fair value	120,165
Less: Fair value of net assets of Target A	(63,810)
Less: Fair value of net assets of Target B	(3,898)
	(67,708)
Goodwill	52,457

For the purpose of the Unaudited Pro Forma Financial Information and for illustration purpose only, the directors have determined the fair values of identification net assets and liabilities of Target A and Target B are assumed their respective carrying amounts as at 31st March, 2015, the date as if the Acquisition had taken place, and consider no fair value adjustment is required for the Acquisition with the adoption of acquisition method in accordance with HKFRS 3 (revised) "Business Combination" after considering the nature of their business and assets and liabilities.

The directors confirm that consistent accounting policies and assumptions have been applied for the purpose of assessing impairment of goodwill and the intangible asset held by Target A under HKAS 36 "Impairment of Assets" ("HKAS 36"), and the directors are not aware of any indications that an impairment of the Enlarged Group's goodwill and the intangible asset held by Target A is required after considering the nature, prospects, financial condition and business risks of the Enlarged Group.

The directors confirm that they will apply consistent accounting policies, principal assumptions and valuation method to assess impairment of goodwill and the intangible asset held by Target A in subsequent reporting periods in accordance with the requirements under HKAS 36.

5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group or the Target Group entered into subsequent to 31st March, 2015.

6) The actual amounts of the adjustment were determined on the completion dates of the Acquisition, which may be different from the amounts presented in this Unaudited Pro Forma Financial Information and such differences may be material.

Andes Glacier CPA Limited
Certified Public Accountants
思捷會計師行有限公司

4th November 2015

The Board of Directors
Sun International Resources Limited
Units 2414–2418, 24/F.,
China Merchants Tower,
Shun Tak Centre,
168–200 Connaught Road Central,
Hong Kong

Dear Sirs,

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION INCLUDED IN AN INVESTMENT CIRCULAR

TO THE DIRECTORS OF SUN INTERNATIONAL RESOURCES LIMITED

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Sun International Resources 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 net asset statement as at 31st March 2015 and related notes as set out on pages IV-1 to IV-5 of the Investment Circular issued by the Company ("Investment Circular"). The applicable criteria on the basis of which the directors have compiled the unaudited pro forma financial information are described on page IV-1 of the Investment Circular.

The unaudited pro forma financial information has been compiled by the directors to illustrate the impact of the proposed acquisition of 100% equity interest in Sun International Securities Limited ("Target A") and Sun International Asset Management Limited ("Target B") on the Group's financial position as at 31st March 2015 as if the transaction had taken place at 31st March 2015. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the year ended 31st March 2015, on which an audit report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the unaudited pro forma financial information in accordance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules") and with reference to AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements (HKSAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus, issued by the HKICPA. This standard requires that the reporting accountant comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Rules and with reference to AG 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in the Investment Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group 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 event or transaction at 31st March 2015 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

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

- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

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

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Rules.

Yours faithfully,
Andes Glacier CPA Limited,
Certified Public Accountants
Ng Sung Hau
Practising Certificate Number: P06122
Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

(a) Director's and chief executive's interests in the Company

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives and their associates in the shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which would have to be notified to the Company or any of its associated corporations) and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Name	Capacity	Number of Shares or underlying Shares	Approximate percentage of the Company's issued share capital
Mr. Cheng Ting Kong	Interest of a controlled corporation	654,677,040 *(Note 1)*	47.14%
		1,251,250 *(Note 2)*	
Mr. Lui Man Wah	Beneficial owner	13,914,000	1.00%

Notes:

1. The 654,677,040 Shares are held by First Cheer Holdings Limited, which is beneficially owned as to 50% by Mr. Cheng Ting Kong, an executive Director and the chairman of the Board and as to 50% by Mr. Chau Cheok Wa. Accordingly, both Mr. Cheng Ting Kong and Mr. Chau Cheok Wa are deemed under the SFO to be interested in the Shares beneficially owned by First Cheer Holdings Limited.

2. Such interest represents 1,251,250 underlying Shares derived from the share options granted to Mr. Cheng Ting Kong under the share option scheme adopted by the Company.

Save as disclosed in the preceding paragraph, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the GEM Listing Rules.

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

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying voting rights to vote in all circumstances at general meeting of any member of the Group:

(i) Substantial Shareholders of the Company:

Name	Capacity	Number of Shares or underlying Shares	Approximate percentage of the Company's issued share capital
First Cheer Holdings Limited	Beneficial owner	654,677,040	47.05%
Mr. Chau Cheok Wa	Interest of controlled corporation	654,677,040 *(Note 1)* 1,251,250 *(Note 2)*	47.14%
Raywell Holdings Limited *(Note 3)*	Beneficial owner	135,430,000	9.73%
Mr. Yeung Hak Kan *(Note 3)*	Interest of controlled corporation	135,430,000	9.73%

Notes:

1. The 654,677,040 Shares are held by First Cheer Holdings Limited, which is beneficially owned as to 50% by Mr. Cheng Ting Kong, an executive Director and the chairman of the Board and as to 50% by Mr. Chau Cheok Wa. Accordingly, both Mr. Cheng Ting Kong and Mr. Chau Cheok Wa are deemed under the SFO to be interested in the Shares beneficially owned by First Cheer Holdings Limited.

2. Such interest represents 1,251,250 underlying Shares derived from the share options granted to Mr. Chau Cheok Wa under the share option scheme adopted by the Company.

3. Raywell Holdings Limited is wholly and beneficially owned by Mr. Yeung Hak Kan. Accordingly, Mr. Yeung Hak Kan is deemed under the SFO to be interested in the Shares beneficially owned by Raywell Holdings Limited.

Save as disclosed in the preceding paragraph and so far as is known to the Directors or chief executive of the Company, there is no person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or supervisors of the Company had any existing or proposed service contract with any member of the Group which does not expire or is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

4. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was involved in any litigation or arbitration of material importance and no litigation or claim of material importance known to the Directors to be pending or threatened by or against the Company or any of its subsidiaries.

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

6. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

(a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any asset which had been acquired, or disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group since 31 March 2015, the date to which the latest published audited financial statements of the Group were made up.

(b) None of the Directors is materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

7. EXPERTS AND CONSENTS

The following is the qualification of the experts who have given opinion or advice which is contained in this circular:

Name	**Qualifications**
Messis Capital Limited (“**Messis Capital**”)	a licensed corporation to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO
Andes Glacier CPA Limited (“**Andes**”)	Certified Public Accountants
Anthony Kam & Associates Limited (“**AKAM**”)	Certified Public Accountants

Each of Messis Capital, Andes and AKAM has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its reports and reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of Messis Capital, Andes and AKAM did not have any shareholding in any member of the Enlarged Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group.

As at the Latest Practicable Date, each of Messis Capital, Andes and AKAM did not have any direct or indirect interests in any assets which have been acquired or disposed of by or leased to, any member of the Group, or which are proposed to be acquired or disposed of by or leased to, any member of the Group.

8. MATERIAL CONTRACTS

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

1. the underwriting agreement dated 11 October 2013 entered into among the Company and the First Cheer Holdings Limited in relation to the proposed issue of new Shares (“**Offer Shares**”) by way of open offer on the basis of one (1) Offer Share for every two (2) Shares to qualifying Shareholders at the subscription price of HK$0.10 per Offer Share;

2. the sale and purchase agreement dated 14 November 2013 (the "Horse SPA") entered into between Sun Kingdom Pty Limited and Mr. Cheng on behalf of Sun Bloodstock Pty Limited (a company wholly-owned by Mr. Cheng) in relation to the sale and purchase of 30% title to and interest in the thoroughbred horse 2009 bay mare born in Ireland by Teofilo out of Vadorga (Microchip number 985101045141763) for a consideration of HK$4,648,557.45;

3. the sale and purchase agreement dated 14 November 2013 entered into between Sun Kingdom Pty Limited and Mr. Lo Kai Bong in relation to the sale and purchase of 10% title to and interest in the thoroughbred horse 2009 bay mare born in Ireland by Teofilo out of Vadorga (Microchip number 985101045141763) for a consideration of HK$1,549,519.15;

4. the sale and purchase agreements dated 28 March 2014 entered into between Sun Kingdom Pty Limited ("**Sun Kingdom**") as vendor and Sun Bloodstock Pty Limited as purchaser in relation to the sale and purchase of 12% title to and interest in the thoroughbred horse 2011 bay more born in Australia by Exceed And Excel out of Balalaika (Microchip number 985100012007604) for a consideration of AUD286,000;

5. the placing agreement dated 1 April 2014 between the Company as the issuer and Convoy Investment Services Limited as the placing agent to arrange on a best effort basis for the subscription for the bonds with an aggregate principal amount of up to HK$200,000,000;

6. the master service agreement between Eliza Park, an indirect wholly-owned subsidiary of the Company and Sun Bloodstock Pty Limited for provision of horse racing related services by Eliza Park or any member of the Eliza Group to Sun Bloodstock Pty Limited;

7. the share sale agreement dated 2 May 2014 entered into between Loyal King Investments Limited as vendor and Mr. Tam Kit Keung as purchaser in relation to the sale and purchase of 12,000 ordinary shares of HK$1 each in the issued share capital of Alliance Computer Systems Limited, representing 60% of the issued share capital thereof, for a consideration of HK$6,200,000;

8. the acquisition agreement dated 7 May 2014 entered into between Sun Kingdom as purchaser with the Andrew Roberts, Kel Wood, Fesen Pty Limited, Barry Pang, John Bongiorno, David Henderson, Ross Herron, Team Mcdonnell, Tony Mitevski, Paul McClure, Robert McClure, Pam Ferguson, Aaron Oman, Andrew Knight, Gurmet Singh, Tracy Vogel, Bruce Stracey, Merwan Salameh, Patricia Lipman/ Hamish McIntosh, Keith Lowry, Marcus Higgins, John Kazzi and Dinise Diamond as vendors to purchase 100% title to and ownership interest in the thoroughbred horse 2008 brown horse born in Ireland by Monsun out of Desert Bloom namely Florente for an aggregate consideration of AUD4,500,000;

9. the sale and purchase agreement dated 31 July 2014 entered into between Galileo Capital Group (BVI) Limited as vendor and New Prosperous Limited as purchaser in relation of disposal of the entire issued share capital of Superb Kings Limited for a consideration of HK$35,000,000;

10. the placing agreement dated 24 November 2014 entered into between the Company as the issuer and Convoy Investment Services Limited as the placing agent. Pursuant to the agreement, the placing agent agreed to arrange on a best effort basis for the subscription for bonds with an aggregate principal amount of up to HK$200,000,000; and

11. the Acquisition Agreement.

9. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

10. GENERAL

(a) The secretary of the Company is Mr. Chung Sze Fat, who is a member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants.

(b) The compliance officer of the Company is Lee Chi Shing, Caesar, who is a fellow member of both the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants. In addition, Mr. Lee is also a member of the Society of Registered Financial Planners.

(c) The registered office of the Company is situated at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

(d) The Company's head office and principal place of business in Hong Kong situates at Units 2414–2418, 24/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong.

(e) The Company's branch share registrar and transfer office in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(f) As at the Latest Practicable Date, the audit committee of the Company comprised of three independent non-executive Directors, namely, Mr. Tou Kin Chuen (chairman of the audit committee), Mr. Chan Tin Lup, Trevor and Mr. Wang Zhigang. Brief biographies of the independent non-executive Directors are set out below:

Mr. Tou Kin Chuen ("**Mr. Tou**"), aged 39, is the independent non-executive director of the Company and Sun Century Group Limited (Stock code: 1383), and is the principal of Roger K.C. Tou & Co. Mr. Tou graduated from the Hong Kong Shue Yan

University (formerly known as Hong Kong Shue Yan College) with a Honours Diploma in Accounting in 2001. He is experienced in audit, taxation, company secretarial, insolvency and finance for over 15 years. Mr. Tou is a member of the Hong Kong Institute of Certified Public Accountants and an associate of the Taxation Institute of Hong Kong.

Mr. Chan Tin Lup, Trevor ("**Mr. Chan**"), aged 56, was born in Hong Kong and has been in the legal field for over 20 years. He received his law degree from the University of London and his Postgraduate Diploma in Legal Practice from the University of Wolverhampton with commendation. Mr. Chan has been an independent non-executive director of National Arts Holdings Limited, a company registered in Bermuda and the shares of which are listed on GEM (Stock Code: 8228), since 13 May 2009.

Mr. Wang Zhigang ("**Mr. Wang**"), aged 57, obtained his graduation certificate from 山東礦業學院 (unofficial English translation being Shandong Institute of Mining and Technology) in 1982 and his Master in Mine Construction Engineering (礦山建設工程) from China University of Mining and Technology (中國礦業大學) in 1994. Mr. Wang has participated in the Business Administration Training Programme (工商管理培訓班) organized by Tsinghua University (清華大學) and has obtained a completion certificate in 2002. Mr. Wang is the executive director of 兖礦集團鄒城設計研究院有限公司 (unofficial English translation being Yankuang Group Zoucheng Huajian Design Research Company Limited) since 2005. Mr. Wang was the deputy manager of 兖州礦業(集團)有限公司 (unofficial English translation being Yankuang Group Corporation Limited) since 1999. Mr. Wang has obtained the qualification of Senior Engineer (高級工程師) in 1994.

(g) The English text of this circular and the accompanying form of proxy shall prevail over the Chinese text in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours on any weekday (except for public holidays) at the head office and principal place of business of the Company in Hong Kong at Unit 2414–2418, 24/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong from the date of this circular up to and including the date of the EGM:

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

(b) the letter from the Independent Board Committee, the text of which is set out on page 37 of this circular;

(c) the letter of advice from Messis Capital, the text of which is set out on pages 38 to 65 of this circular;

(d) the annual reports of the Company for the years ended 31 March 2014 and 2015;

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

(f) the accountants' report of Target B, the text of which is set out in Appendix III to this circular;

(g) the report on the Unaudited Pro Forma Financial Information of the Enlarged Group issued by Andes, the text of which is set out in Appendix IV to this circular;

(h) the written consents referred to in the paragraph headed "Experts and consents" in this appendix;

(i) the material contracts referred to in the paragraph headed "8. Material contracts" in this appendix; and

(j) this circular.

太陽國際資源有限公司
SUN INTERNATIONAL RESOURCES LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8029)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**Meeting**") of Sun International Resources Limited (the "**Company**") will be held at Units 2414–2418, 24th Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Monday, 23 November 2015 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolution with or without amendments as an ordinary resolution:

ORDINARY RESOLUTIONS

"**THAT**

(a) the agreement dated 19 August 2015 (the "**Acquisition Agreement**") and entered into between Sun International Financial Group Limited as vendor (the "**Vendor**") and Infinite Success Investments Limited, a direct wholly-owned subsidiary of the Company, as purchaser in relation to the sale and purchase of (i) 140,000,000 shares in the issued share capital of Sun International Securities Limited ("**Sun International Securities**"), representing the entire issued share capital of Sun International Securities (the "**SIS Sale Shares**"); and (ii) 7,300,000 shares in the issued share capital of Sun International Asset Management Limited ("**Sun International Asset Management**") (inclusive of 6,500,000 shares in issue as at the date of the Acquisition Agreement and the 800,000 new shares allotted and issued by Sun International Asset Management to SIFGA on 20 August 2015), representing the entire issued share capital of Sun International Asset Management immediately before completion of the Acquisition Agreement (the "**SIAM Sale Shares**" together with the SIS Sale Shares, collectively the "**Sale Shares**"), for a total consideration of HK$147,300,000 (subject to adjustments according to the terms of the Acquisition Agreement) (copies of the Acquisition Agreement are marked "A" and produced to the EGM and signed by the chairman of the EGM for identification purpose) and the transactions contemplated thereunder be and are hereby ratified, confirmed and approved;

(b) the issue of the promissory note (the "**Promissory Note**") in the aggregate principal amount of HK$147,300,000 by the Company to the Vendor as part of the consideration for the Sale Shares pursuant to the terms and conditions of the Acquisition Agreement be and are hereby approved;

(c) the entering into of the management service agreement (the "**SIS Management Services Agreement**") by Sun International Securities with Sun International

Financial Group Management Services Limited ("**SIFGMS**") in relation to the provision of management services by SIFGMS to Sun International Securities pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(d) the annual caps for the transactions contemplated under the SIS Management Services Agreement as stated in the circular (the "**Circular**") of the Company dated 2 November 2015) for the years ending 31 March 2016 and 2017 be and are hereby approved;

(e) the entering into of the management service agreement (the "**SIAM Management Services Agreement**") by Sun International Asset Management with SIFGMS in relation to the provision of management services by SIFGMS to Sun International Asset Management pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(f) the annual caps for the transactions contemplated under the SIAM Management Services Agreement as stated in the Circular for the years ending 31 March 2016 and 2017 be and are hereby approved;

(g) the entering into of the licence agreement (the "**SIS Licence Agreement 1**") by Sun International Securities with SIFGMS in relation to the grant of licence to use the office situated at 3703–08, 37/F, ACE Tower, Windsor House, 311 Gloucester Road, Causeway Bay, Hong Kong (the "**SIFGMS Office**") pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(h) the annual caps for the transactions contemplated under the SIS Licence Agreement 1 as stated in the Circular for the years ending 31 March 2016, 2017, 2018 and 2019 be and are hereby approved;

(i) the entering into of the licence agreement (the "**SIS Licence Agreement 2**") by Sun International Securities with Sun International Financial Group (Asia) Limited ("**SIFGA**") in relation to the grant of licence to use the office situated at Unit 1210–1214, 12/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(j) the annual caps for the transactions contemplated under the SIS Licence Agreement 2 as stated in the Circular for the years ending 31 March 2016 and 2017 be and are hereby approved;

(k) the entering into of the licence agreement (the "**SIS Licence Agreement 3**") by Sun International Securities with SIFGA in relation to the grant of licence to use the office situated at Unit 1007–1012, 10/F, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(l) the annual caps for the transactions contemplated under the SIS Licence Agreement 3 as stated in the Circular for the years ending 31 March 2016, 2017 and 2018 be and are hereby approved;

(m) the entering into of the licence agreement (the "**SIS Licence Agreement 4**") by Sun International Securities with SIFGA in relation to the grant of licence to use the office situated at Unit 1901, 19/F, Crocodile Centre, 79 Hoi Yuen Road, Kwun Tong, Hong Kong pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(n) the annual caps for the transactions contemplated under the SIS Licence Agreement 4 as stated in the Circular for the years ending 31 March 2016 and 2017 be and are hereby approved;

(o) the entering into of the licence agreement (the "**SIAM Licence Agreement**") by Sun International Asset Management with SIFGMS in relation to the grant of licence to use the SIFGMS Office pursuant to the terms and conditions of the Acquisition Agreement and the transactions contemplated thereunder be and are hereby approved;

(p) the annual caps for the transactions contemplated under the SIAM Licence Agreement as stated in the Circular for the years ending 31 March 2016, 2017, 2018 and 2019 be and are hereby approved; and

(q) any one or more of the director(s) of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents (including under seal) which he/she/they consider necessary or expedient to give effect to the Acquisition Agreement and the transactions contemplated thereunder including but not limited to the issue of the Promissory Note and the entering into of the SIS Management Services Agreement, the SIAM Management Services Agreement, the SIS Licence Agreement 1, the SIS Licence Agreement 2, the SIS Licence Agreement 3, the SIS Licence Agreement 4 and the SIAM Licence Agreement."

By order of the Board
Sun International Resources Limited
Cheng Ting Kong
Chairman

Hong Kong, 4 November 2015

Registered office:	*Head office and principal place of business in Hong Kong:*
Cricket Square	Unit 2414–2418, 24th Floor
Hutchins Drive	China Merchants Tower
P.O. Box 2681	Shun Tak Centre
Grand Cayman	168–200 Connaught Road Central
KY1-1111	Hong Kong
Cayman Islands	

Notes:

1. A member entitled to attend and vote at the Meeting is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his behalf. A proxy need not be a member of the Company but must be present in person at the Meeting to represent the member. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.

2. A form of proxy for use at the Meeting is enclosed. Whether or not you intend to attend the Meeting in person, you are encouraged to complete and return the enclosed form of proxy in accordance with the instructions printed thereon. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the Meeting or any adjournment thereof, should he so wish.

3. In order to be valid, the form of proxy, together with a power of attorney or other authority, if any, under which it is signed, or a certified copy of such power or authority must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or any adjournment thereof.

4. In the case of joint holders of shares, any one of such holders may vote at the Meeting, either personally or by proxy, in respect of such share as if he was solely entitled thereto, but if more than one of such joint holder are present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such shares shall alone be entitled to vote in respect thereof.