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 Wong's International Holdings Limited, you should at once hand this circular to the purchaser or the transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

WONG'S INTERNATIONAL HOLDINGS LIMITED
王氏國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 99)

MAJOR TRANSACTION

TERMINATION OF JOINT VENTURE AND DEEMED ACQUISITION

A letter from the Board is set out on pages 4 to 11 of this circular.

26 October 2016

CONTENTS

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

"Board"	the board of Directors
"Bollardbay"	Bollardbay Limited, a company incorporated in the British Virgin Islands which was a joint venture company established by UIL and Data Giant (UIL: 35.7% and Data Giant: 64.3%) before completion of the Transaction
"Business Day"	a day (excluding Saturday, Sunday and a public holiday) on which licensed banks in Hong Kong are open for business throughout their normal working hours
"Closely Allied Group"	the closely allied group of Shareholders comprising Mr. Wong Chung Mat, Ben, Mr. Wong Chung Yin, Michael, W. S. Wong & Sons Company Limited, Salop Investment Limited and Levy Investment Limited, which collectively held 277,424,800 Shares (representing approximately 57.97% of the issued share capital of the Company) as at 20 September 2016
"Company"	Wong's International Holdings Limited (王氏國際集團有限公司), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 99)
"connected person(s)"	has the meaning ascribed to it in the Listing Rules
"Data Giant"	Data Giant Limited, a company incorporated in the British Virgin Islands which is a wholly-owned subsidiary of SHKP
"Directors"	the directors of the Company
"Easywise"	Easywise Limited (易偉有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of Bollardbay
"Easywise Bank Loan"	a commercial bank loan of HK$680 million drawn down by Easywise on completion of the Transaction to fund part of the repayment of the shareholder loan due from Bollardbay to Data Giant
"Enlarged Group"	the Group as enlarged by the Transaction
"Group"	collectively, the Company and its subsidiaries from time to time

"HK$" or "HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"KTIL 173"	a piece of land situated at No.181 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong and registered in the Land Registry of Hong Kong as Kwun Tong Inland Lot No. 173, with a site area of approximately 25,750 sq.ft.
"KTIL 759"	a piece of land situated at No.180 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong and registered in the Land Registry of Hong Kong as Kwun Tong Inland Lot No. 759, with a site area of approximately 39,935 sq.ft.
"Latest Practicable Date"	21 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Project"	the development of KTIL 173
"Repurchase"	the repurchase by Bollardbay of a 64.3% equity interest held by Data Giant
"SFO"	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) of HK$0.10 each in the capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"SHKP"	Sun Hung Kai Properties Limited (新鴻基地產發展有限公司), a company incorporated under the laws of Hong Kong whose shares are listed on the Main Board of the Stock Exchange (stock code: 16)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Talent Chain"	Talent Chain Investments Limited, a company incorporated in the British Virgin Islands which was a joint venture company established by UIL and Data Giant (UIL: 35.7% and Data Giant: 64.3%) for the development of KTIL 759
"Target Group"	Bollardbay and its subsidiary, Easywise

"Transaction"	the transaction whereby Bollardbay and Easywise became wholly-owned subsidiaries of the Company which, so far as members of the Group are concerned, consisted only of the payment of the Equality Money and the guarantee given by the Company and WEC to support the Easywise Bank Loan
"UIL"	Ubiquitous International Limited, a company incorporated in the British Virgin Islands which is an indirect wholly-owned subsidiary of the Company
"WEC"	Wong's Electronics Company Limited (王氏電子有限公司), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
"Wong's Family"	members of the Wong's family comprising (1) Mr. Wong Chung Ah, Johnny; (2) Mr. Senta Wong; (3) Mr. Wong Chung Yin, Michael; (4) Mr. Wong Chung Mat, Ben; (5) Ms. Chung Chui Everitt; and (6) Ms. Wong Chung Yan, Claudia. They are all siblings.

WONG'S INTERNATIONAL HOLDINGS LIMITED
王氏國際集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 99)

Executive Directors:
Mr. Wong Chung Mat, Ben
(Chairman and Chief Executive Officer)
Ms. Wong Yin Man, Ada
Mr. Chan Tsze Wah, Gabriel
Mr. Wan Man Keung
Mr. Hung Wing Shun, Edmund

Independent Non-executive Directors:
Dr. Li Ka Cheung, Eric *GBS, OBE, JP*
Dr. Yu Sun Say *GBM, JP*
Mr. Alfred Donald Yap *JP*
Mr. Cheung Chi Chiu, David

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal Office in Hong Kong:
17/F, C-Bons International Center
No. 108 Wai Yip Street
Kwun Tong, Kowloon
Hong Kong

26 October 2016

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION

TERMINATION OF JOINT VENTURE AND DEEMED ACQUISITION

INTRODUCTION

On 20 September 2016, the Board announced that UIL and Data Giant entered into an agreement ("**Termination Agreement**") to put an end to the joint venture arrangements relating to Bollardbay in the form of a letter from Bollardbay which was accepted by UIL and Data Giant. Pursuant to the Termination Agreement, UIL and Data Giant have received cash or assets which represent their proportionate shares of the Project (UIL: 35.7% and Data Giant 64.3%). Under the Termination Agreement, (1) UIL has retained a total of 11 office floors, 8 of which were retained at market value and 3 of which were retained at values determined by arm's length negotiations; and (2) Data Giant received all the cash assets in Bollardbay which by means of Bollardbay repurchasing all of Data Giant's shares in Bollardbay and by repaying the shareholders' loan owed to Data Giant. However, the cash assets received by Data Giant (together with the proceeds of the Easywise Bank Loan which funded part of the sums due to Data Giant) only represented part of its 64.3% interest while the 11 floors retained by UIL exceeded its 35.7% interest. Consequently, the imbalance was addressed by the payment of the Equality Money by UIL to Data Giant.

The Transaction resulted in a deemed acquisition of Bollardbay as, upon the Repurchase, Data Giant ceased to be a shareholder and UIL became the only shareholder in Bollardbay. Bollardbay and Easywise became wholly-owned subsidiaries of the Company and their results will be consolidated with the Group's results. After the repurchase of shares by Bollardbay, the Group continues to hold, via Easywise, 11 floors and a number of parking spaces at One Harbour Square (the "**Property**").

The Equality Money paid by the Group, plus the value of the guarantee given by the Company and WEC to support the Easywise Bank Loan constituted a major transaction for the Company under Chapter 14 of the Listing Rules. As explained below in the paragraph headed "Implications of the Transaction under the Listing Rules", a written shareholders' approval was obtained from the Closely Allied Group in lieu of holding a general meeting of the Company.

The purpose of this circular is to provide you with, among other things, (i) details of the Transaction and (ii) financial information about the Group; (iii) financial information on Bollardbay; (iv) unaudited pro forma financial information on the Enlarged Group; (v) the valuation report on the Property; and (vi) other information as required under the Listing Rules.

BACKGROUND

In 2008, the Company, SHKP and their respective subsidiaries, Data Giant and UIL established Bollardbay for a joint development at KTIL 173 (which was later named "One Harbour Square"). KTIL 173 is a 20-storey office building. The construction of KTIL 173 was completed in January 2014 and it was launched into the market in April 2014.

The Company (through UIL) and SHKP (through Data Giant) owned 35.7% and 64.3% of the issued share capital of Bollardbay respectively. Bollardbay owns 100% of the issued share capital of Easywise, which is the beneficial owner of KTIL 173. UIL has retained 11 office floors for investment and for rental purposes, 8 of which are rented out and the other remaining 3 office floors are being marketed in the rental market. Therefore, it is expected that all of the 11 office floors will be leased out for rental income in due course.

The Project (including all the transactions contemplated thereunder, and together with the development of KTIL 759) constituted a very substantial acquisition for the Company under Chapter 14 of the Listing Rules and shareholders' approvals were obtained for the Project at the outset.

Details in relation to the formation of Bollardbay and Easywise and the Project were set out in the announcement published by the Company on 9 October 2008 and in the circular published by the Company on 27 November 2008.

TERMINATION OF THE JOINT VENTURE

On 20 September 2016 (after trading hours), UIL and Data Giant entered into the Termination Agreement pursuant to which each party was entitled to a share of the agreed net asset value of Bollardbay which represented its proportionate share of the Project (UIL: 35.7% and Data Giant: 64.3%, being their respective "**Proportionate Share**").

Under the Termination Agreement which was duly completed on 23 September 2016:

1. UIL:

   1.1. retained under Easywise Floors 9, 10, 12, 15, 16, 17, 18 and 19 as well as 40 car parking spaces on the 3rd floor and 1 Heavy Goods Vehicles parking space on the ground floor (which roughly equated with its 35.7% entitlement) at values which were determined as being the average of the valuations conducted by two valuers namely, DTZ Cushman & Wakefield Limited ("**DTZ**") and Knight Frank Petty Limited ("**KF**") as at 8 June 2016. DTZ and KF have valued these 8 floors and 41 carparks by the direct comparison approach by reference to market comparable transactions. The average of the valuations conducted by DTZ and KF were similar to the valuation of the same properties conducted by Roma Appraisals Limited as set out in Appendix IV to this circular.

   1.2. also retained under Easywise, Floors 6, 7 and 20 as well as 16 car parking spaces (which were unsold) at values which were determined by arm's length negotiations between the parties, the values of which are close to the market price at the moment; and

   1.3. assumed full ownership of Bollardbay and, indirectly, Easywise, with their respective liabilities (which principally relate to the development of One Harbour Square, Easywise's ownership of the floors referred to above, and the leasing of certain of those floors)

   (together referred to as the "**UIL Retention**").

2. Data Giant:

   2.1. received the proceeds of the Easywise Bank Loan which was drawn down by Easywise to enable it to repay, through Bollardbay, part of the shareholder loan due to Data Giant; and

2.2. received the cash held on behalf of Easywise which comprised the sale proceeds of all units in the Project which had been sold net of certain construction and other expenses and tax so far incurred by Easywise in developing the Project ("**Easywise Cash**").

3. Data Giant received the proceeds of the Easywise Bank Loan and the Easywise Cash in settlement of all shareholder loans due to Data Giant and in return for Data Giant selling all of its shares in Bollardbay back to Bollardbay (thus causing Bollardbay and Easywise to become wholly-owned subsidiaries of the Company).

4. The value of the UIL Retention exceeded UIL's Proportionate Share. Consequently UIL paid Data Giant a balancing payment ("**Equality Money**") to account for the excess. The Equality Money was initially estimated to be HK$80,415,012 and this amount was paid at completion of the Transaction. Under the Termination Agreement, the Equality Money was subject to adjustment after completion of the Transaction in respect of any variation in the net liabilities of Bollardbay and Easywise arising prior to completion of the Transaction. Data Giant and UIL have since agreed that the Equality Money, as adjusted, should now be HK$80,611,798 and as a result, a further HK$196,786 is payable by UIL to Data Giant. Further details of the calculation of the Equality Money, as adjusted as at completion of the Transaction, are set out in Appendix V.

5. Completion of the terms set out above was subject to and conditional upon the following conditions being satisfied on or before 23 September 2016 or such later time and date as may have been agreed by Data Giant and UIL:

   5.1. Certain properties having been removed from the joint venture prior to completion of the Transaction by means of a distribution to Data Giant and UIL at cost, which was HK$3,973,565. These properties were a shop on the ground floor of KTIL 173, a Light Goods Vehicles parking space on the ground floor and Retained Area B on the roof level of KTIL 173. A new joint venture company was established by Data Giant and UIL (in the proportions of 64.3% and 35.7% and on substantially the same terms as the former joint venture for Bollardbay) to hold these properties. The intention is to retain these properties on a long term basis as an investment;

   5.2. the agreement of the final form of all of the documentation required to implement the Termination Agreement;

   5.3. the Company obtaining shareholders' approval (which was obtained by means of a written approval from the Closely Allied Group); and

   5.4. Easywise confirming that it had arranged the Easywise Bank Loan and UIL confirming that it has arranged financing for payment of the Equality Money.

6. All the above conditions were duly satisfied and completion of the Transaction took place on 23 September 2016.

7. The Group only participated in the Transaction to the extent of guaranteeing the Easywise Bank Loan and paying the Equality Money. The Easywise Bank Loan is a 5 year bank term loan for HK$680 million on normal commercial terms which is guaranteed by the Company and WEC. The Easywise Bank Loan bears an interest rate of HIBOR plus 1.1 % and it is secured by (1) a mortgage over 7 office floors and 57 carparks of KTIL 173 and (2) a rent assignment of the rental income over the rent received from the 7 office floors and 57 carparks. The major risk of the Easywise Bank Loan is that UIL will need to refinance the loan in 5 years (as the loan was amortised over a period of 15 years) and this will depend upon the value of the mortgaged properties and market conditions at the time. WEC is one of the guarantors for the Easywise Bank Loan, and is jointly and severally liable to lender. The Equality Money was financed by the undrawn part of an existing term loan, which bears an interest rate of HIBOR plus 1.58% and it will be secured by (1) a mortgage over 4 office floors of KTIL 173 and (2) a rent assignment of the rental income over the rent received from the 4 office floors by March 2017.

IMPACT OF THE TERMINATION OF THE JOINT VENTURE

Completion of the Transaction resulted in a deemed acquisition of Bollardbay as, upon the Repurchase, Data Giant ceased to be a shareholder and UIL became the only shareholder in Bollardbay. Accordingly Bollardbay then became a wholly-owned subsidiary of the Company. Bollardbay continues to hold, via Easywise, 11 floors and a number of parking spaces at One Harbour Square.

After the Transaction, the accounts of Bollardbay, including its balance sheet and income statement, as well as those of its subsidiary, Easywise, will be consolidated with the Group's accounts.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Directors confirm that SHKP and its ultimate beneficial owners are third parties independent of the Company and any of its connected persons.

INFORMATION ON THE JOINT VENTURE

Prior to completion of the Transaction, Bollardbay was not a subsidiary of the Company and thus its year end did not match the year end of the Company.

Based on the financial information of Bollardbay as set out in Appendix II to this circular, its consolidated net asset value as at 30 June 2016 was approximately HK$2,782.9 million.

Based on the financial information of Bollardbay as set out in Appendix II to this circular, the consolidated net profits (both before and after taxation) of Bollardbay for the two financial years ended 30 June 2016 are as follows:

	For the year ended 30 June	
	2015	**2016**
	HK$ million	*HK$ million*
Consolidated profit before tax	2,286.7	454.1
Consolidated profit after tax	2,070.1	449.3

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Company's strategic plan is, and has been, to hold its share of the developed units in the One Harbour Square development as a long-term investment and for leasing purposes. The Transaction has enabled the Group to obtain full ownership and control of the floors and parking spaces retained by Easywise so as to allow the Group full liberty to carry out its strategic plan.

The Company has also taken this opportunity to acquire additional floors, in excess of its 35.7% entitlement, because it is optimistic about the future market for office premises in Kwun Tong given the Government's policy to develop Kowloon East as a central business district. In this regard, One Harbour Square is well positioned because it is a waterfront property.

The Directors consider that the Transaction, including payment of the Equality Money and the provision of the guarantee by the Company and WEC to support the Easywise Bank Loan, is on normal commercial terms, in the ordinary and usual course of business of the Company, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE TRANSACTION ON THE COMPANY

Upon completion of the Transaction, Bollardbay and Easywise became wholly-owned subsidiaries of the Company.

Earnings

Upon completion of the Transaction, the Group will no longer account for the financial results of the Target Group using the equity method of accounting and the derecognition of the interest in the Target Group will contribute a gain on disposal in the Group's financial statements. Further, the financial results of Bollardbay and Easywise will be consolidated with the Group's results. As it is the Company's strategic plan to hold its interest of the developed units in the One Harbour Square development for long term investment and for leasing purposes, the Directors are of the view that the Transaction will widen the earning base of the Group by the Target Group's rental income and profits from sales of Target Group's properties, in the situation where there is appreciation in properties values, which would cover the finance cost on the Easywise Bank Loan.

Assets and liabilities

Set out in Appendix III to this circular is the unaudited pro forma financial information of the Enlarged Group which illustrates the financial effects of the Transaction on the assets and liabilities of the Group assuming completion of the Repurchase and the Transaction had taken place on 30 June 2016. Based on the unaudited pro forma financial information in Appendix III to this circular, the total assets of the Group would increase from approximately HK$4,863.5 million to approximately HK$6,044.1 million and its total liabilities would increase from approximately HK$2,064.5 million to approximately HK$3,046.2 million as a result of the Transaction on a pro forma basis.

INFORMATION ON THE GROUP

The Group is principally engaged in the development, manufacture, marketing and distribution of electronics products as well as property investment. UIL is an investment holding company and is wholly-owned by the Company.

INFORMATION ON SHKP

The principal business activities of SHKP are development of and investment in properties for sale and rent. Data Giant is an investment holding company and is wholly-owned by SHKP.

IMPLICATIONS OF THE TRANSACTION UNDER THE LISTING RULES

The Equality Money paid by the Group, plus the value of the guarantee given by the Company and WEC to support the Easywise Bank Loan, resulted in certain of the applicable percentage ratios under Rule 14.07 of the Listing Rules falling above 25% but below 100%. The Transaction therefore constituted a major transaction for the Company and was subject to the notification, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Under Rule 14.44 of the Listing Rules, written shareholders' approval may be accepted in lieu of holding a general meeting of the Company to approve the Transaction where:

(a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting to approve the Transaction; and

(b) written approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% in nominal value of the issued share capital of the Company giving the right to attend and vote at a general meeting to approve the Transaction.

To the best of the Directors' knowledge, none of the Shareholders has a material interest in the Transaction, so no Shareholder would be required to abstain from voting if a general meeting of the Company were to be convened to approve the Transaction.

The Company has obtained a written approval, dated 20 September 2016, from the Closely Allied Group which collectively held 277,424,800 Shares in the Company (representing approximately 57.97% of the issued share capital of the Company) as at the date of signing the written approval, to approve the Transaction. The Closely Allied Group comprises either members of the Wong's Family or companies owned and controlled by certain members of the Wong's Family. The composition of the Closely Allied Group is set out below:

Members of the Closely Allied Group	**Number of Shares held**
Wong Chung Mat, Ben	1,000,000
Wong Chung Yin, Michael	3,247,829
W. S. Wong & Sons Company Limited	94,052,019
Salop Investment Limited	133,304,740
Levy Investment Limited	45,820,212
Total	**277,424,800**

Notes:

1. Mr. Wong Chung Mat, Ben is the chairman of the Board, the chief executive officer and an Executive Director of the Company.

2. Mr. Wong Chung Yin, Michael is the brother of Mr. Wong Chung Mat, Ben.

3. W. S. Wong & Sons Company Limited is a company controlled by the Wong's Family.

4. Salop Investment Limited is a company wholly-owned and controlled by Mr. Wong Chung Mat, Ben.

5. Levy Investment Limited is a company wholly-owned and controlled by Mr. Wong Chung Yin, Michael.

ADDITIONAL INFORMATION

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

Yours faithfully,
WONG CHUNG MAT, BEN
Chairman and Chief Executive Officer

FINANCIAL INFORMATION ON THE GROUP

The Group's financial information for each of the three years ended 31 December 2013, 2014 and 2015 and for the period ended 30 June 2016 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.wih.com.hk):

- Pages 54 to 176 of the annual report of the Company for the year ended 31 December 2013 published on 23 April 2014;
- Pages 50 to 180 of the annual report of the Company for the year ended 31 December 2014 published on 20 April 2015;
- Pages 53 to 160 of the annual report of the Company for the year ended 31 December 2015 published on 25 April 2016;
- Pages 1 to 28 of the interim report of the Company for the six months ended 30 June 2016 published on 14 September 2016.

STATEMENT OF INDEBTEDNESS

As at 31 August 2016, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of the circular ("**Indebtedness Date**"), the Enlarged Group had the following borrowings:

	31 August 2016
	HK$'000
The Group	
Long-term bank loan, secured *(Note (i))*	520,000
Trust receipt bank loans, unsecured	301,954
Short-term bank loans, unsecured	148,847
Mortgage loan, secured *(Note (ii))*	26,450
Total borrowings	997,251
The Target Group	
Amounts due to Data Giant, unsecured	779,430

Notes:

(i) As at the Indebtedness Date, the aforesaid long term bank loan was secured by a share mortgage over the Group's entire interest in Talent Chain.

(ii) The aforesaid mortgage loan was secured by certain land and buildings of the Group.

As at the close of business on the Indebtedness Date, the Group also had outstanding interest rate swap contract to change interest rate cash flows from a floating rate to a fixed rate. The notional principal amount as at the Indebtedness Date was HK$26,450,000. The interest rate swap is classified as derivative financial instrument and is measured at its fair value and any change in fair value is recognized in the income statement. The carrying value of the derivative financial instrument as at the Indebtedness Date is HK$720,003.

Save as disclosed or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, as at the close of business on the Indebtedness Date, the Enlarged Group had no debt securities issued and outstanding, and authorized or otherwise created but unissued, term loans, distinguishing between guaranteed, unguaranteed, secured and unsecured, bank borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, mortgages, charges, guarantees or other contingent liabilities.

For the purpose of the above statement of indebtedness, foreign currency amounts have been translated into Hong Kong dollars at the applicable rates of exchange prevailing at the close of business on the Indebtedness Date.

Since the Indebtedness Date, the Target Group has assumed the Easywise Bank Loan for the purpose of the Transaction, as described in this circular.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date and save as disclosed in this circular, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up.

WORKING CAPITAL

Taking into account the internal resources available to the Group, including the internally generated funds from the operations and available banking facilities, the Easywise Bank Loan and the effects of the Repurchase and the Transaction, the Directors are of the opinion that the Group has sufficient working capital for its requirements for at least the next 12 months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS OF THE GROUP

Based on the current level of orders received and the forecasts provided by our customers, the Company expects that sales for the EMS business in the second half of 2016 will be comparable to the first half. We are cautious about the general business and economic conditions. Global trade and investment remain depressed with no signs of immediate improvement in the second half of 2016. This continues to present challenges to our EMS business in terms of its impact on consumer and business sentiment, investment decisions, commodity prices, operating expenses and ultimately our competitiveness. The Company shall continue to improve operational efficiency through automation, a lean structure, energy conservation and stringent cost control initiatives to meet the challenges. We strive to provide high quality, value-added services for our customers and continue to expand and enhance our service offering to meet industry needs.

As a result of the completion of the first property development project in Kwun Tong, namely One Harbour Square, the Company entered into the Termination Agreement with SHKP to put an end to the joint venture arrangements which resulted in the deemed acquisition of Bollardbay. Accordingly, Bollardbay and Easywise became wholly-owned subsidiaries of the Company and will continue to hold 11 floors and a number of parking spaces at One Harbour Square. As indicated previously, it is the Group's preference to hold its interest in the property development projects for long term and for leasing purposes after taking into consideration the market conditions and the financing requirements. This Transaction will widen the earning base of the Group.

The Transaction does not affect the other property development project at an adjacent site in Kwun Tong. Construction of the second project is targeted to be completed in late 2017. Sufficient funding in the form of committed bank loans have been arranged to complete the second project.

PROPERTY INTERESTS AND PROPERTY VALUATIONS

Roma Appraisals Limited has valued the market value of the Property of Bollardbay as of 31 August 2016 at approximately HK$2,596.9 million. The texts of its letter and valuation certificate are set out in "Appendix IV Valuation Report of the Property".

The table below shows the reconciliation of the value of the Property of Bollardbay as at 30 June 2016 as set out in the Accountant's Report in Appendix II to this circular to the valuation as set out in Appendix IV to this circular.

For the purpose of this table, the value of the Property of Bollardbay as at 30 June 2016 as set out in the Accountant's Report in Appendix II to this circular consisted of:

(a) the 8 office floors which were held by Bollardbay as investment properties ("**Investment Properties**"). The Investment Properties were leased out and revalued at fair value as at 30 June 2016; and

(b) the 4 office floors (i.e. Floors 6, 7, 8 and 20), 65 carparks, the shop at G/F, a Light Goods Vehicles parking space and the retained area B which were held by Bollardbay as stock of completed properties ("**Stock Properties**"). The Stock Properties were vacant, available for sale and were measured at cost:

	HK$'000
Fair value of the Investment Properties as at 30 June 2016 as set out in Note 9 in Section II of the Accountant's Report in Appendix II to this circular	1,829,000
Cost of the Stock Properties as at 30 June 2016 as set out in Note 10 in Section II of the Accountant's Report in Appendix II to this circular	253,300
Less: cost of the 8th Floor and 8 carparks (which was one of the Stock Properties) as at 30 June 2016 which was sold on 15 August 2016	(57,754)
Less: cost of the shop at G/F, a Light Goods Vehicles parking space and the retained area B (which was one of the Stock Properties) as at 30 June 2016 which were disposed by Bollardbay on 23 September 2016 at a consideration equivalent to the cost as at 30 June 2016 and transferred to the new joint venture company owed 64.3% and 35.7% by Data Giant and UIL respectively on 23 September 2016	(3,974)
Valuation Surplus	576,388
Valuation of the Property as at 31 August 2016 as set out in the Valuation Report of the Property in Appendix IV to this circular	2,596,960

CONSOLIDATED FINANCIAL INFORMATION ON BOLLARDBAY AND EASYWISE FOR EACH OF THE THREE YEARS ENDED 30 JUNE 2014, 2015 AND 2016

The following is the text of a report received from the Company's reporting accountant, PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

26 October 2016

The Board of Directors
Wong's International Holdings Limited

Dear Sirs,

We report on the financial information of Bollardbay Limited ("Bollardbay" or the "Target") and its subsidiary, Easywise Limited ("Easywise") (collectively referred to as the "Target Group"), which comprises the consolidated and the company balance sheets of Bollardbay as at 30 June 2014, 2015 and 2016, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Bollardbay for each of the years ended 30 June 2014, 2015 and 2016 (the "Relevant Periods") and a summary of significant accounting policies and other explanatory information. This financial information has been prepared by the directors of Wong's International Holdings 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 26 October 2016 (the "Circular") in connection with the repurchase of 64.3% of the issued share capital of Bollardbay by the Target and the deemed acquisition of the Target by Ubiquitous International Limited, an indirect wholly owned subsidiary of the Company (the "Transaction").

Bollardbay was incorporated in the British Virgin Islands (the "BVI") on 15 August 2006 as a limited liability company. As at the date of this report, Bollardbay has direct interest in Easywise as set out in Note 16 of the section II below.

No statutory audited financial statements have been prepared by Bollardbay as there is no statutory audit requirement under its place of incorporation. The financial statements of Easywise for the Relevant Periods were audited by Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

For the purpose of this report, the directors of the Company are responsible for the preparation of the consolidated financial statements of Bollardbay for the Relevant Periods (the "Underlying Financial Statements") that gives a true and fair view in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the accounting policies adopted by the Company and its subsidiaries (together, the "Group") as set out in the Company's annual report for the year ended 31 December 2015 and the Company's interim report for the six months ended 30 June 2016, with reference to the consolidated financial information of Bollardbay ("Bollardbay Management Accounts"). The directors of Bollardbay are responsible for the preparation of the Bollardbay Management Accounts that give a true and fair view in accordance with HKFRS issued by the HKICPA, and for such internal control as they determine is necessary to enable the preparation of the Bollardbay Management Accounts that is 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 (the "HKSAs") issued by the HKICPA pursuant to separate terms of engagement.

The financial information has been prepared based on the Underlying Financial Statements with no adjustment 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 HKFRS and the accounting policies adopted by the Group as set out in the Company's annual report for the year ended 31 December 2015 and the Company's interim report for the six months ended 30 June 2016.

Reporting Accountant's 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 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 financial position of Bollardbay and of the Target Group as at 30 June 2014, 2015 and 2016 and of the Target Group's financial performance and cash flows for the Relevant Periods.

I FINANCIAL INFORMATION OF THE TARGET GROUP

The following is the financial information of the Target Group prepared by the directors of the Company as at 30 June 2014, 2015 and 2016 and for each of the years ended 30 June 2014, 2015 and 2016 (the "Financial Information"):

Consolidated statements of comprehensive income

		Year ended 30 June		
		2014	**2015**	**2016**
	Note	*HKD'000*	*HKD'000*	*HKD'000*
Revenue	*5*	511,066	1,809,870	46,602
Cost of sales	*7*	(122,460)	(418,962)	—
Gross profit		388,606	1,390,908	46,602
Selling and marketing costs	*7*	(53,410)	(74,868)	(18,271)
Administrative expenses	*7*	(165)	(3,020)	(14,043)
Other income and gains	*6*	—	973,669	439,822
Profit before income tax		335,031	2,286,689	454,110
Income tax expense	*8*	(52,092)	(216,629)	(4,790)
Profit for the year		282,939	2,070,060	449,320
Other comprehensive income		—	—	—
Total comprehensive income for the year		282,939	2,070,060	449,320

Consolidated balance sheets

		As at 30 June		
		2014	**2015**	**2016**
	Note	*HKD'000*	*HKD'000*	*HKD'000*
Assets				
Non-current asset				
Investment properties	*9*	—	1,242,000	1,829,000
Current assets				
Stock of completed properties	*10*	1,092,347	415,336	253,300
Trade receivables, deposits, and other receivables	*11*	460,793	676,835	11,124
Amounts due from related companies	*15*	67,481	1,570,366	2,104,107
		1,620,621	2,662,537	2,368,531
Total assets		1,620,621	3,904,537	4,197,531
Equity and liabilities				
Equity attributable to Owners of the Target Group				
Share capital	*12*	8	8	8
Retained earnings		263,513	2,333,573	2,782,893
Total equity		263,521	2,333,581	2,782,901
Liabilities				
Non-current liability				
Long-term deposits	*13*	—	5,427	5,469
Current liabilities				
Trade payables, deposits, other payables and accrued expenses	*13*	21,927	19,949	457
Amounts due to shareholders	*15*	1,212,177	1,212,177	1,212,177
Amounts due to related companies	*15*	70,904	64,682	30,369
Current income tax liabilities		52,092	268,721	166,158
		1,357,100	1,565,529	1,409,161
Total liabilities		1,357,100	1,570,956	1,414,630
Total equity and liabilities		1,620,621	3,904,537	4,197,531
Net current assets		263,521	1,097,008	959,370
Total assets less current liabilities		263,521	2,339,008	2,788,370

Balance sheets of the Target

		As at 30 June		
		2014	**2015**	**2016**
	Note	*HKD'000*	*HKD'000*	*HKD'000*
Assets				
Non-current asset				
Interest in subsidiary	*16*	1,212,072	1,212,072	1,212,072
Current asset				
Amount due from a related company		8	4	—
Total assets		1,212,080	1,212,076	1,212,072
Deficits and liabilities				
Deficits attributable to Owners of the Target				
Share capital	*12*	8	8	8
Accumulated losses	*17*	(105)	(109)	(113)
Total deficits		(97)	(101)	(105)
Liabilities				
Current liability				
Amounts due to shareholders	*15*	1,212,177	1,212,177	1,212,177
Total liabilities		1,212,177	1,212,177	1,212,177
Total deficits and liabilities		1,212,080	1,212,076	1,212,072
Net current liabilities		(1,212,169)	(1,212,173)	(1,212,177)
Total assets less current liability		(97)	(101)	(105)

Consolidated statements of changes in equity

	Share capital	(Accumulated losses)/ retained earnings	Total
	HKD'000	*HKD'000*	*HKD'000*
Balance at 1 July 2013	8	(19,426)	(19,418)
Total comprehensive income for the year			
Profit for the year	—	282,939	282,939
Balance at 30 June 2014	8	263,513	263,521
Balance at 1 July 2014	8	263,513	263,521
Total comprehensive income for the year			
Profit for the year	—	2,070,060	2,070,060
Balance at 30 June 2015	8	2,333,573	2,333,581
Balance at 1 July 2015	8	2,333,573	2,333,581
Total comprehensive income for the year			
Profit for the year	—	449,320	449,320
Balance at 30 June 2016	8	2,782,893	2,782,901

Consolidated statements of cash flows

		Year ended 30 June		
		2014	**2015**	**2016**
	Note	*HKD'000*	*HKD'000*	*HKD'000*
Cash flows from operating activities				
Cash generated from operations	*14*	—	—	—
Net cash generated from operating activities		—	—	—
Net increase in cash and cash equivalents		—	—	—
Cash and cash equivalents at the beginning of the year		—	—	—
Cash and cash equivalents at the end of the year		—	—	—

Major non-cash transactions:

A related company received all proceeds from sales of properties and rental income and paid all operating expenses and income tax on behalf of the Target Group during all years presented.

II NOTES TO THE FINANCIAL INFORMATION OF THE TARGET GROUP

1 GENERAL INFORMATION

Bollardbay Limited ("Bollardbay" or the "Target") was incorporated in the British Virgin Islands (the "BVI") on 15 August 2006. The registered office of the Target is located at P.O. Box 957, offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands.

Bollardbay is an investment holding company. Details of the activities of its subsidiary are set out in Note 16. Bollardbay and its subsidiary collectively are referred to as the "Target Group".

This Financial information is presented in Hong Kong Dollar ("HKD"), unless otherwise stated.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the Financial Information of the Target Group are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The Financial information has been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The Financial Information has been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value.

The preparation of Financial Information in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Financial Information are disclosed in Note 4.

The existing standards that are effective as at 30 June 2016 have been adopted by the Target Group consistently during all the years presented.

New standards and amendments not yet adopted

The following are new standards and amendments to standards that have been issued and are not effective for the accounting periods beginning on 1 July 2015 have not been early adopted by the Target Group:

Annual improvement project	Annual improvements 2012–2014 cycle[1]
HKAS 1 (Amendment)	Disclosure initiative[1]
HKAS 7 (Amendment)	Disclosure initiative[2]
HKAS 12 (Amendment)	Recognition of deferred tax assets for unrealized losses[2]
HKAS 16 and HKAS 38 (Amendment)	Clarification of acceptable methods of depreciation and amortisation[1]
HKAS 16 and HKAS 41 (Amendment)	Agriculture: Bearer plants[1]
HKAS 27 (Amendment)	Equity method in separate financial statements[1]
HKFRS 2 (Amendment)	Classification and measurement of share-based payment transactions[3]
HKFRS 9	Financial instruments[3]
HKFRS 10 and HKAS 28 (Amendment)	Sale or contribution of assets between an investor and its associate or joint venture[5]
HKFRS 10, HKFRS 12 and HKAS 28 (Amendment)	Investment entities: Applying the consolidation exception[1]
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operation[3]
HKFRS 14	Regulatory deferral accounts[1]
HKFRS 15	Revenue from contracts with customers[3]
HKFRS 16	Leases[4]

[1] To be applied by the Target Group for annual periods beginning on or after 1 January 2016
[2] To be applied by the Target Group for annual periods beginning on or after 1 January 2017
[3] To be applied by the Target Group for annual periods beginning on or after 1 January 2018
[4] To be applied by the Target Group for annual periods beginning on or after 1 January 2019
[5] The amendments were originally intended to be effective for annual periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continues to be permitted.

The Target will apply the above new standards and amendments when they become effective. Management is in the process of making an assessment of the impact of the above new standards and amendments.

2.2 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Target Group has control. The Target Group controls an entity when the Target Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Target Group. They are deconsolidated from the date that control ceases.

Business combinations

The Target Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Target Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Target Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Target Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statements of comprehensive income.

Intra-group transactions, balances and unrealised gains on transactions between the Target Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Target Group's accounting policies.

2.2.1 Separate financial statements

Investment in subsidiary is accounted for at cost less impairment. Cost includes direct attributable costs of investment. The result of subsidiary is accounted for by the Target on the basis of dividend received and receivable.

Impairment testing of the investment in subsidiary is required upon receiving dividends from the investment if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Investment property

Investment property, principally comprising leasehold land and buildings, is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Target Group. It also includes properties that are being constructed or developed for future use as investment properties. Land held under operating leases are accounted for as investment properties when the rest of the definition of an investment property is met. In such cases, the operating leases concerned are accounted for as if they were finance leases. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. After initial recognition, investment properties are carried at fair value, representing open market value determined at each reporting date by external valuers. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If the information is not available, the Target Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. Changes in fair values are recorded in the consolidated statements of comprehensive income as part of a valuation gain or loss in 'other income and gains'.

2.4 Financial assets

2.4.1 Classification

The Target Group classifies its financial assets in the following category: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loan and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Target Group's loans and receivables comprise 'trade and other receivables' (Note 2.6) and 'amounts due from related companies.

2.4.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date, the date on which the Target Group commits to purchase or sell the asset. Loans and receivables are initially recognised at fair value plus transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Target Group has transferred substantially all risks and rewards of ownership.

2.4.3 Impairment of financial assets

Assets carried at amortised cost

The Target Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measureable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the differences between the asset's carrying amounts and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amounts of the asset is reduced and the amount of the loss is recognised in consolidated statement of comprehensive income. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Target Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in consolidated statement of comprehensive income.

2.5 Stock of completed properties

Stocks of completed properties are stated at lower of cost and net realisable value. Cost is determined by apportionment of the total land and development costs attributable to the completed properties.

2.6 Trade and other receivables

Trade receivables are amounts due from customers for properties sold and rental income in the ordinary course of business. If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognsied initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.7 Share capital

Ordinary shares are classified as equity.

2.8 Trade and other payables

Trade payables are obligations to pay for construction costs incurred during ordinary course of business. Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.9 Current and deferred income tax

The tax expense for the years comprise current and deferred tax. Tax is recognised in the consolidated statement of comprehensive income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Target Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provision where appropriate on the basis of amounts expected to pay to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Target Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.10 Provisions

Provisions are recognised when the Target Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.11 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for properties sold and rental and management fee income, stated net of discounts, returns and goods and services taxes. The Target Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Target Group's activities, as described below. The Target Group bases its estimates of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(a) Sales of properties

Revenue from sales of properties in the ordinary course of business is recognised when the respective properties have been completed and the significant risks and rewards of ownership of the properties are transferred to buyers. Deposits and instalments received from purchasers prior to meeting the above criteria for revenue recognition are included in the consolidated balance sheets under current liabilities.

(b) Rental and management fee income

Rental and management fee income from investment property is recognised in the consolidated statements of comprehensive income on a straight-line basis over the term of the lease.

3 FINANCIAL MANAGEMENT

3.1 Financial risk factors

The Target Group's activities expose it to a variety of financial risks: credit risk and liquidity risk. The Target Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Target Group's financial performance.

Risk management is carried out by the Target Group's finance department under policies approved by the directors of the Target Group. The Target Group's finance department identifies, evaluates financial risks in close co-operation with the Target Group's operating units. The directors of the Target Group provide written principles for overall risk management, as well as written policies covering specific areas, such as credit risk, use of non-derivative financial instruments, and investment of excess liquidity.

(a) Credit risk

The Target Group has put in place policies to ensure that sales and leasing of properties are made to customers after appropriate evaluations. As at 30 June 2014, 2015 and 2016, the Target Group has a concentration of credit risk given that the top two, three and two customers account for 100%, 99% and 100% of the Target Group's trade and rent receivable balance at year end, respectively. Management considers that the credit risk in respect of these customers is minimal after considering the financial position and past experience with these customers.

Management considers the credit risk on amounts due from related companies is minimal after considering the financial conditions of these entities. Management has performed assessment over the recoverability of these balances and management does not expect any losses from non-performance by these companies.

(b) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Target Group and aggregated by the finance department. The Target Group's finance department monitors rolling forecasts of the Target Group's liquidity requirements to ensure that the Target Group's treasury department has sufficient cash to meet operational needs.

The table below analyses the Target Group's non-derivative financial liabilities into relevant maturity grouping based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Repayable on demand *HKD'000*	**Within 1 year** *HKD'000*	**Over 1 year** *HKD'000*	**Total** *HKD'000*
As at 30 June 2014				
Trade payables, deposits, other payables and accrued expenses	—	21,927	—	21,927
Amounts due to shareholders	1,212,177	—	—	1,212,177
Amounts due to related companies	70,904	—	—	70,904
As at 30 June 2015				
Trade payables, deposits, other payables and accrued expenses	—	19,949	5,427	25,376
Amounts due to shareholders	1,212,177	—	—	1,212,177
Amount due to a related company	64,682	—	—	64,682
As at 30 June 2016				
Trade payables, deposits, other payables and accrued expenses	—	457	5,469	5,926
Amounts due to shareholders	1,212,177	—	—	1,212,177
Amounts due to related companies	30,369	—	—	30,369

3.2 Capital risk management

The Target Group' objectives when managing capital are to safeguard the Target Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Target Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

3.3 Fair value estimation

The carrying amounts of the Target Group's current financial assets and liabilities approximate their fair value due to their short maturities. The carrying amounts of the Target Group's non-current deposits approximate their fair values which are estimated based on the discounted cash flows.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Critical accounting estimates and assumptions

The Target Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Fair value of investment properties

The valuation of investment properties is performed in accordance with the "Valuation Standards of Valuation of Properties" published by the Hong Kong Institute of Surveyors. The valuation is performed by qualified valuer based on market value basis which takes into account the comparable sales transactions as available in the market. Changes in the assumptions used in deriving the valuation could cause a material adjustment to the carrying amounts on the balance sheet.

(b) Current tax and deferred tax

Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and taxation in the periods in which such estimate is changed.

5 REVENUE

The Target Group is primarily engaged in property development and leasing in Hong Kong.

	Year ended 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Sales of properties	511,066	1,803,297	—
Rental and management fee income	—	6,573	46,602
	511,066	1,809,870	46,602

6 OTHER INCOME AND GAINS

	Year ended 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Fair value gain on investment properties	—	973,669	424,964
Sundry income	—	—	14,858
	—	973,669	439,822

7 EXPENSES BY NATURE

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Cost of properties sold	122,460	418,962	—
Auditor's remuneration	100	100	100
Marketing expenses for sales of properties	20,493	3,205	57
Management fee and other holding cost for vacant properties	13,670	12,979	18,105
Commission expenses for lease contracts	—	2,000	5,888
Commission expenses for sales of properties	17,887	54,953	—
Other expenses	1,425	4,651	8,164
Total	176,035	496,850	32,314

8 INCOME TAX EXPENSE

(a) Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profit for each of the years ended 30 June 2014, 2015 and 2016. The amount of income tax expense charged to the consolidated statements of comprehensive income represents:

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Current income tax	52,092	216,629	4,790

(b) The tax on the profit before tax differs from the theoretical amount that would arise using the tax rate of Hong Kong as follows:

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Profit before income tax	335,031	2,286,689	454,110
Calculated at tax rate of 16.5%	55,280	377,304	74,928
Income not subject to tax	—	(160,655)	(70,118)
Tax reduction	—	(20)	(20)
Utilisation of previously unrecognised tax losses	(3,188)	—	—
Income tax expense	52,092	216,629	4,790

(c) As at 30 June 2014, 2015 and 2016, the Target Group did not have any unrecognized deferred tax.

9 INVESTMENT PROPERTIES

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
At the beginning of the year	—	—	1,242,000
Fair value gain *(Note 6)*	—	973,669	424,964
Transfer from stock of completed properties	—	268,331	162,036
At the end of the year	—	1,242,000	1,829,000

The Target Group's interest in investment properties at their net book values are on medium-term leases of 10 to 50 years located in Hong Kong.

(a) Amounts recognised in the profit and loss for investment properties

	Year ended 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Rental and management fee income	—	6,573	46,602
Outgoings	—	(2,853)	(13,875)
	—	3,720	32,727
Fair value gain *(Note 6)*	—	973,669	424,964

Valuation processes of the Target Group

The investment properties are valued annually on an open market value basis. The valuations of the investment properties at 30 June 2014, 2015 and 2016 were carried out by an independent firm of surveyors, Roma Appraisals Limited, who is a fellow member of the Hong Kong Institute of Surveyors. The fair value measurement information for these investment properties in accordance with HKFRS 13 is given below.

The Target Group's finance team performs the valuations of financial assets required for financial reporting purposes. This team reports directly to the management. Discussions of valuation processes and results are held between the management and the team at least once bi-annually, in line with the Target Group's reporting dates.

Changes in Level 3 fair values are analysed at each reporting date valuation discussions between the management and the team. As part of this discussion, the team presents a report that explains the reasons for the fair value movements.

Description	**Quoted price in active markets for identical assets (Level 1)**	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**
	HKD'000	*HKD'000*	*HKD'000*	*HKD'000*
As at 30 June 2015				
Investment properties	—	—	1,242,000	1,242,000
As at 30 June 2016				
Investment properties	—	—	1,829,000	1,829,000

The Target Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no transfers between Levels 1, 2 and 3 during each of the years ended 30 June 2014, 2015 and 2016.

Fair values of completed investment properties have been valued by the direct comparison approach assuming sale of the properties in their existing states with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

The valuation have been made on the assumption that the owners sell the properties in the open market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the values of such properties. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the properties and no allowance has been made for the properties to be sold in one lot or to a single purchaser.

There were no changes in valuation techniques during all the years presented.

10 STOCK OF COMPLETED PROPERTIES

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Stock of completed properties	1,092,347	415,336	253,300

The cost of properties recognised as expense and included in 'cost of sales' amounted to approximately HKD122,460,000, HKD418,962,000 and Nil, during each of the years ended 30 June 2014, 2015 and 2016 respectively.

11 TRADE RECEIVABLES, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Trade receivables	459,960	673,475	11,071
Deposits and other receivables	833	3,360	53
Total trade receivables, deposits, and other receivables	460,793	676,835	11,124

The credit period allowed by the Target Group to its trade customers mainly ranges from 30 to 365 days and no interest charged.

Ageing analysis of gross trade receivables by invoice date at the respective balance sheet dates is as follows:

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
0–90 days	459,960	252,231	11,071
Over 90 days	—	421,244	—
	459,960	673,475	11,071

As at 30 June 2014, 2015 and 2016, trade receivables were fully performed.

The carrying amounts of the Target Group's trade receivables, deposits, and other receivables are denominated in Hong Kong dollars.

As at 30 June 2014, 2015 and 2016, the carrying amounts of the Target Group's trade receivables, deposits and other receivables approximated their fair values due to short duration.

12 SHARE CAPITAL

	Number of shares	Share capital
		HKD'000
Ordinary shares of US$1 each issued and fully paid:		
At 1 July 2013, 30 June 2014, 30 June 2015 and 30 June 2016	1,000	8

13 TRADE PAYABLES, DEPOSITS, OTHER PAYABLES AND ACCRUED EXPENSES

	As at 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Trade payables	8,135	3,801	450
Deposits and other payables	—	7,232	5,476
Accrued expenses	13,792	14,343	—
	21,927	25,376	5,926
Less: non-current portion — deposits	—	(5,427)	(5,469)
Current portion	21,927	19,949	457

As at 30 June 2014, 2015 and 2016, the carrying amounts of the Target Group's trade payables, deposits, other payables and accrued expenses approximated their fair values.

Ageing analysis of gross trade payables by invoice date at the respective balance sheet dates is as follows:

	As at 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
0–30 days	8,135	3,801	450

The carrying amounts of trade payables, deposits, other payables and accrued expenses are denominated in Hong Kong dollars.

14 NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS

Reconciliation of profit before income tax to cash generated from operations

	Year ended 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Profit before income tax	335,031	2,286,689	454,110
Adjustment for:			
— Fair value gains on investment properties	—	(973,669)	(424,964)
	335,031	1,313,020	29,146
Changes in working capital:			
— (Increase)/decrease in stock of completed properties	(95,250)	408,680	—
— (Increase)/decrease in trade receivables, deposits, other receivables and prepayments	(459,053)	(216,042)	665,711
— Increase in amounts due from related companies	(52,271)	(1,502,580)	(641,094)
— Increase in amounts due to shareholders	—	—	—
— Increase/(decrease) in trade payables, deposits, other payables and accrued expenses	21,892	2,345	(19,450)
— Increase/(decrease) in amounts due to related companies	249,651	(5,423)	(34,313)
Cash generated from operations	—	—	—

15 RELATED PARTY TRANSACTIONS

The shareholders of the Target Group is Data Giant Limited (incorporated in the BVI), a subsidiary of Sun Hung Kai Properties Limited, and Ubiquitous International Limited (incorporated in the BVI), a subsidiary of Wong's International Holdings Limited, which own 64.3% and 35.7% of the Target Group respectively.

(a) Information on related parties and their relationships with the Target Group are as follows:

Name of related companies	**Relationship**
Sanfield Engineering Construction Limited	Subsidiary of Sun Hung Kai Properties Limited
Sun Hung Kai Real Estate Agency Limited	Subsidiary of Sun Hung Kai Properties Limited
Kai Shing Management Services Limited	Subsidiary of Sun Hung Kai Properties Limited
Sun Hung Kai Properties Insurance Limited	Subsidiary of Sun Hung Kai Properties Limited
Lik Kai Engineering Company Limited	Subsidiary of Sun Hung Kai Properties Limited

(b) Significant related party transactions

In the opinion of the Target Group's directors, the related party transactions were conducted in the ordinary and usual course of business and based on terms mutually agreed by the underlying parties. The significant related party transactions of the Target Group during the years include:

(1) Management fee paid to a related company:

	Year ended 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Kai Shing Management Services Limited	13,328	12,783	14,201

(2) Construction cost paid to a related company:

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Sanfield Engineering Construction Limited	101,797	100,000	—

(3) Accounting fee paid to a related company:

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Sun Hung Kai Real Estate Agency Limited	60	60	60

(4) Interior design and decoration work fee paid to a related company:

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Kai Shing Management Services Limited	7,412	—	—

(5) Repairs and maintenance fee paid to a related company:

	Year ended 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Kai Shing Management Services Limited	—	—	366
Lik Kai Engineering Company Limited	—	—	86
	—	—	452

(c) Year-end balances with related companies

(1) Amounts due from related companies:

	As at 30 June		
	2014	2015	2016
	HKD'000	*HKD'000*	*HKD'000*
Sun Hung Kai Real Estate Agency Limited	67,481	1,563,161	2,097,472
Kai Shing Management Services Limited	—	7,205	6,635
	67,481	1,570,366	2,104,107

(2) Amounts due to related companies:

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Kai Shing Management Services Limited	799	—	—
Sanfield Engineering Construction Limited	70,105	64,682	30,276
Sun Hung Kai Properties Insurance Limited	—	—	7
Lik Kai Engineering Company Limited	—	—	86
	70,904	64,682	30,369

(3) Amounts due to shareholders:

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Ubiquitous International Limited	432,747	432,747	432,747
Data Giant Limited	779,430	779,430	779,430
	1,212,177	1,212,177	1,212,177

All the above balances are interest-free, unsecured and repayable on demand as at 30 June 2014, 2015 and 2016.

16 INTEREST IN SUBSIDIARY — THE TARGET

	As at 30 June		
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Unlisted investment, as cost	—	—	—
Amount due from a subsidiary	1,212,072	1,212,072	1,212,072
	1,212,072	1,212,072	1,212,072

Amount due from a subsidiary is interest-free, unsecured and repayable on demand as at 30 June 2014, 2015 and 2016.

Particulars of the principal subsidiary of the Target as at 30 June 2014, 2015 and 2016 are as follows:

Name	**Place of establishment and kind of legal entity**	**Principal activities**	**Particulars of registered and paid-up capital**	**Interest directly held**
Easywise Limited (易偉有限公司) *(Note)*	Hong Kong, limited liability company	Property development and leasing	HKD1	100%

Note: The statutory financial statements of the subsidiary for each of the years ended 30 June 2014, 2015, 2016 were audited by Deloitte Touche Tohmatsu, Certified Public Accountants.

17 RESERVE MOVEMENT — THE TARGET

	Accumulated losses *HKD'000*
Balance at 1 July 2013	(100)
Total comprehensive income for the year	
Loss for the year	(5)
Balance at 30 June 2014	(105)
Balance at 1 July 2014	(105)
Total comprehensive income for the year	
Loss for the year	(4)
Balance at 30 June 2015	(109)
Balance at 1 July 2015	(109)
Total comprehensive income for the year	
Loss for the year	(4)
Balance at 30 June 2016	(113)

18 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP.622) AND COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP.622G)

(a) Directors' emoluments (equivalent to key management compensation)

The directors, who represent key management personnel of the Target Group, having authority and responsibility for planning, directing and controlling the activities of the Target Group, did not receive or will not receive any fees or emoluments in respect of their services to the Target Group during each of the years ended 30 June 2014, 2015 and 2016.

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during each of the years ended 30 June 2014, 2015 and 2016.

(c) Consideration provided to third parties for making available directors' services

During each of the years ended 30 June 2014, 2015 and 2016, the Target Group did not pay consideration to any third parties for making available directors' services.

(d) Information about loans, quasi-loans and other dealings in favour of directors, bodies corporate controlled by and entities connected with such directors

As at 30 June 2014, 2015 and 2016 and during each of the years ended 30 June 2014, 2015 and 2016, there were no loans, quasi-loans and other dealing arrangements in favour of directors, bodies corporate controlled by and entities connected with such directors.

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Target Group's business to which the Target was a party and in which a director of the Target Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during each of the years ended 30 June 2014, 2015 and 2016.

19 COMMITMENTS

The Target Group as lessor

The investment properties of the Target Group are leased to third parties under non-cancellable operating lease agreements. The lease terms are from 3 to 6 years. As at 30 June 2014, 2015 and 2016, the Target Group's future minimum lease receivables are analysed as follows:

		As at 30 June	
	2014	**2015**	**2016**
	HKD'000	*HKD'000*	*HKD'000*
Within one year	—	23,928	43,917
In the second to fifth year inclusive	—	51,246	96,963
	—	75,174	140,880

20 SUBSEQUENT EVENTS

On 20 September 2016, Data Giant Limited ("Data Giant") and Ubiquitous International Limited ("UBI"), both Data Giant and UBI were shareholders of the Target Group as at 30 June 2016, entered into an agreement ("Termination Agreement") to put an end to the joint venture arrangements. Under the Termination Agreement, Data Giant will receive all cash assets in the Target Group which by means of the Target repurchasing all of Data Giant's shares in the Target ("Repurchase") and by repaying the shareholders' loan owed to Data Giant. After the Repurchase, the Target Group will become wholly-owned subsidiaries of UBI.

III SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by any of the Target Group or its subsidiary in respect of any period subsequent to 30 June 2016 and up to the date of this report. Save as disclosed in this report, no dividend or distribution has been declared or made by any of the Target Group or its subsidiary in respect of any period subsequent to 30 June 2016.

Yours faithfully,
PricewaterhouseCoopers
Certified Public Accountants
Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS ON BOLLARDBAY AND EASYWISE

The following discussion and analysis is based on the financial information from the consolidated financial statements of Bollardbay contained in this Appendix.

Operating results and financial review

The Target Group is primarily engaged in property development and leasing in Hong Kong. The consolidated revenue of the Target Group for each of the three years ended 30 June 2014, 2015 and 2016 was HK$511.1 million, HK$1,809.9 million and HK$46.6 million respectively. Revenue derived from sales of properties for each of the two years ended 30 June 2014 and 2015 was HK$511.1 million and HK$1,803.3 million. There were no sales of properties in the year ended 30 June 2016 and the Target Group mainly received income from rental and management fees which amounted to HK$46.6 million, representing an increase of 609% as compared with HK$6.6 million received from rental income for the year ended 30 June 2015. The consolidated profit of the Target Group for each of the three years ended 30 June 2014, 2015 and 2016 was HK$282.9 million, HK$2,070.1 million and HK$449.3 million.

Liquidity, financial resources and capital structure

The Target Group had no cash and bank balances nor any bank borrowings. The Target Group's cash resources generated by sales of properties were held by Sun Hung Kai Real Estate Agency Limited, a related company and it is shown as part of "amounts due from related companies". The Target's working capital was funded from shareholders' loans and partly from the proceeds of property sales.

Foreign exchange and risk management

All of the Target Group's income and expenses are conducted in Hong Kong dollars. Consistent with the prudent policy in financial risk management, the Target Group does not engage in any foreign exchange hedging products and it is not exposed to any risk in foreign exchange fluctuations.

Capital structure

There has been no material change in the Target Group's capital structure since 30 June 2013 which consisted of equity attributable to owners of the parent, comprising issued share capital and reserves.

Capital commitments, Charges on assets and Contingent liabilities

The Target Group had no capital commitments, charges on assets or contingent liabilities which had not been properly accrued for as at 30 June 2014, 2015 and 2016 respectively.

Significant investment, material acquisitions and disposals

There were no significant investments, material acquisitions or disposals by the Target Group for the years ended 30 June 2014, 2015 and 2016.

Employees

The Target Group does not have any of its own employees.

A UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP AS AT 30 JUNE 2016

Introduction

The following is an illustrative unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2016 ("Unaudited Pro Forma Financial Information"), which has been prepared on the basis of the notes set forth below for the purpose of illustrating the effect of the Repurchase and the deemed acquisition of the Target by an indirect wholly-owned subsidiary of the Company (the "Transaction"), as if the Transaction had taken place on 30 June 2016.

This Unaudited Pro Forma Financial Information has been prepared by the Directors of the Company for illustrative purposes only and because of its hypothetical nature, it may not give a true picture of the financial position of the Enlarged Group had the Transaction been completed on 30 June 2016 or at any future date.

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

Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2016

		Pro forma adjustments			
	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2016	**Audited consolidated statement of assets and liabilities of Target Group as at 30 June 2016**	**Other pro forma adjustments**	*Note*	**Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2016**
	HK$'000	*HK$'000*	*HK$'000*		*HK$'000*
	Note 1	*Note 2*			
ASSETS					
Non-current assets					
Property, plant and equipment	282,233	—			282,233
Investment properties	27,238	1,829,000			1,856,238
Leasehold land and land use rights	18,845	—			18,845
			(995,417)	*3(i)*	
Interests in joint ventures	2,287,768	—	(432,747)	*3(ii)*	859,604
Available-for-sale financial assets	48	—			48
Deferred income tax assets	11,169	—			11,169
Deposits and other receivables	9,844	—			9,844
Restricted cash	3,518	—			3,518
	2,640,663	1,829,000			3,041,499
Current assets					
Inventories	424,303	—			424,303
Stock of completed properties	—	253,300	589,099	*3(iii)*	842,399
Trade receivables	755,909	11,071			766,980
Prepayments, deposit and other receivables	52,675	53	6,635	*3(v)*	59,363
Available-for-sale financial assets	2,060	—			2,060
Amounts due from associates	9	—			9
			(2,097,472)	*4(b)(i)*	
Amounts due from related companies	—	2,104,107	(6,635)	*3(v)*	—
Current income tax recoverable	8,809	—			8,809
Short-term bank deposits	362,456	—			362,456
Cash and cash equivalents	616,651	—	(80,415)	*4(b)(ii)*	536,236
Total current assets	2,222,872	2,368,531			3,002,615
Total assets	4,863,535	4,197,531			6,044,114

Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2016 (Continued)

		Pro forma adjustments			
	Unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2016	Audited consolidated statement of assets and liabilities of Target Group as at 30 June 2016	Other pro forma adjustments	*Note*	Unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group as at 30 June 2016
	HK$'000	*HK$'000*	*HK$'000*		*HK$'000*
	Note 1	*Note 2*			
LIABILITIES					
Non-current liabilities					
Other payables	—	5,469			5,469
Derivative financial instrument	814	—			814
Deferred income tax liabilities	1,451	—	97,201	*3(iv)*	98,652
Borrowings	505,000	—	680,000	*4(a)*	1,185,000
	507,265	5,469			1,289,935
Current liabilities					
Trade payables	759,120	450	30,369	*3(vi)*	789,939
Accruals and other payables	280,042	7	2,000	*5*	282,049
			(779,430)	*4(b)(i)*	
Amounts due to shareholders	—	1,212,177	(432,747)	*3(ii)*	—
Amount due to related companies	—	30,369	(30,369)	*3(vi)*	—
Current income tax liabilities	36,193	166,158			202,351
Borrowings	481,880	—			481,880
	1,557,235	1,409,161			1,756,219
Total liabilities	2,064,500	1,414,630			3,046,154
Net assets	2,799,035	2,782,901			2,997,960

Notes to the unaudited pro forma consolidated statement of assets and liabilities of the Enlarged Group

1. The unaudited consolidated statement of assets and liabilities of the Group as at 30 June 2016 is extracted from the unaudited condensed consolidated balance sheet of the Group as at 30 June 2016 as set out in the Company's published interim report for the six months ended 30 June 2016.

2. The audited consolidated statement of assets and liabilities of the Target Group as at 30 June 2016 is extracted from the consolidated balance sheet of the Target Group as at 30 June 2016 as set out in the accountant's report of the Target Group as set out in Appendix II to this circular.

3. Before the Transaction, the Target Group was historically accounted for using the equity method of accounting in the Group's financial statements for its 35.7% equity interest in the Target.

   Upon the completion of the Transaction, the Company has become the sole ultimate shareholder of the Target. As a result, the Target Group has become the Company's wholly-owned subsidiary in accordance with Hong Kong Financial Reporting Standard 3 — "Business Combinations" ("HKFRS 3") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Accordingly, the amounts represent:

   (i) derecognition of the carrying amount of the interest in the Target Group as at 30 June 2016;

   (ii) elimination adjustment regarding the intra group balance between the Group and the Target Group as at 30 June 2016;

   (iii) fair value adjustment, under the acquisition method in accordance with HKFRS 3, on the Target Group's stock of completed properties based on either the actual consideration received upon sales of the Target Group's properties subsequent to 30 June 2016 or the arm's length negotiated price between the two shareholders of the Target Group;

   (iv) tax adjustment regarding the deferred income tax liabilities arising from the temporary difference between the tax base and fair values of the Target Group's stock of completed properties at the Hong Kong profit tax rate of 16.5%;

   (v) reclassification adjustment of an amount due from a related company which is a fellow subsidiary of Data Giant Limited ("Data Giant") to other receivables as Data Giant is no longer the shareholder of the Target; and

   (vi) reclassification adjustment of an amount due to a related company which is a fellow subsidiary of Data Giant to other payables.

The actual amounts of the above adjustments upon the completion of the Transaction may be different from this Unaudited Pro Forma Financial Information.

4. For the purpose of this Unaudited Pro Forma Financial Information, the consideration for the Repurchase is determined based on the 64.3% equity interest to be repurchased by the Target and the adjusted net asset value of the Target Group as at 30 June 2016, which was determined based on the fair value of the Target Group's identifiable assets and liabilities as at 30 June 2016.

   (a) The adjustment represents the Easywise Bank Loan which has been drawn down by the Target Group to settle the consideration of the Repurchase.

   (b) The adjustments represent the amount of cash consideration to be received by Data Giant for the Repurchase and the Transaction, which consists of:

      (i) cash proceeds of the Target Group's Easywise Bank Loan and cash and cash equivalents of HK$2,097.5 million held by a related company of the Target Group on behalf of the Target Group as at 30 June 2016 in settlement of the Target Group's shareholder loans due to Data Giant amounting to HK$779.4 million as at 30 June 2016 and in return for the Repurchase; and

      (ii) cash consideration of HK$80.4 million to be paid by the Group to Data Giant.

   The actual amounts of the above adjustments upon the completion of the Transaction may be different from this Unaudited Pro Forma Financial Information.

5. The adjustment is made to reflect the estimated amount of legal and other professional fees incurred in relation to the Transaction.

6. No adjustments have been made to this Unaudited Pro Forma Financial Information to reflect any trading results or other transaction of the Group and the Target Group entered into subsequent to 30 June 2016.

B REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP AS AT 30 JUNE 2016

The following is the text of a report received from PricewaterhouseCoopers, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this circular.

pwc 羅兵咸永道

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

To the Directors of Wong's International Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Wong's International Holdings Limited (the "Company") and its subsidiaries (collectively as the "Group"), Bollardbay Limited ("Bollardbay") and its subsidiary, Easywise Limited ("Easywise") (collectively as the "Target Group") (the Group and the Target Group are collectively referred to as the "Enlarged Group") by the directors for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 30 June 2016 and related notes (the "Unaudited Pro Forma Financial Information") as set out on pages 42 to 46 of the Company's circular dated 26 October 2016, in connection with the repurchase of a 64.3% equity interest in Bollardbay and the deemed acquisition of Bollardbay (the "Transaction") by Ubiquitous International Limited, an indirect wholly-owned subsidiary of the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described on pages 42 to 46.

The Unaudited Pro Forma Financial Information has been compiled by the directors to illustrate the impact of the Transaction on the Group's financial position as at 30 June 2016 as if the Transaction had taken place at 30 June 2016. As part of this process, information about the Group's financial position has been extracted by the directors from the Group's financial statements for the six months ended 30 June 2016, on which a review report has been published.

Directors' Responsibility for the Unaudited Pro Forma Financial Information

The directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with

PricewaterhouseCoopers, 22/F, Prince's Building, Central, Hong Kong
T: +852 2289 8888, F: +852 2810 9888, www.pwchk.com

reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Our Independence and Quality Control

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

Our firm applies Hong Kong Standard on Quality Control 1 issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus", issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Transaction at 30 June 2016 would have been as presented.

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

- The related 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 Company, 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 by the directors of the Company 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 4.29(1) of the Listing Rules.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 26 October 2016

The following is the text of a letter, and valuation certificate, prepared for the purpose of incorporation in this Circular received from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 31 August 2016 of the Property to be held by Wong's International Holdings Limited.

ROMA

Unit 3806, 38/F, China Resources Building,
26 Harbour Road, Wan Chai, Hong Kong
Tel (852) 2529 6878 Fax (852) 2529 6806
E-mail info@romagroup.com
http://www.romagroup.com

Wong's International Holdings Limited
17/F, C-Bons International Center,
No.108 Wai Yip Street,
Kwun Tong,
Kowloon,
Hong Kong

26 October 2016

Dear Sir/Madam,

Re: Property Valuation of 6th, 7th, 9th, 10th, 12th, 15th, 16th, 17th, 18th, 19th & 20th Floors, 56 Car Parking Spaces and 1 Heavy Goods Vehicles Parking Space, One Harbour Square, No.181 Hoi Bun Road, Kowloon, Hong Kong

In accordance with your instruction for us to value the property held by Wong's International Holdings Limited and/or its subsidiaries (together referred to as the "Group") located in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 31 August 2016 (the "Date of Valuation") for the purpose of incorporation in the Circular of the Company dated 26 October 2016.

1. BASIS OF VALUATION

Our valuation of the property is our opinion of the market value of the concerned property which we would define as intended to mean "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

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

2. VALUATION METHODOLOGY

We have valued the property by the direct comparison approach assuming sale of the property in its existing state with the benefit of vacant possession and by making reference to comparable sales transactions as available in the relevant market.

3. TITLE INVESTIGATION

For the property in Hong Kong, we have carried out sample land searches at Land Registry. However, we have not scrutinized all the original documents to verify ownership or to ascertain the existence of any lease amendments which may not appear on the copies handed to us.

4. VALUATION ASSUMPTIONS

Our valuation has been made on the assumption that the owner sells the property in the open market without the benefit of deferred term contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to increase the value of such property. In addition, no account has been taken of any option or right of pre-emption concerning or affecting the sale of the property and no allowance has been made for the property to be sold in one lot or to a single purchaser.

5. SOURCE OF INFORMATION

In the course of our valuation, we have relied to a very considerable extent on the information provided by the Group and have accepted advice given to us on such matters as planning approvals or statutory notices, easements, tenure, identification of properties, particulars of occupation, floor areas, ages of buildings and all other relevant matters which can affect the value of the property. All documents have been used for reference only.

We have no reason to doubt the truth and accuracy of the information provided to us. We have also been advised that no material facts have been omitted from the information supplied. We consider that we have been provided with sufficient information to reach an informed view, and have no reason to suspect that any material information has been withheld.

6. VALUATION CONSIDERATIONS

We have inspected the exterior and, where possible, the interior of certain property. No structural survey has been made in respect of the property. However, in the course of our inspection, we did not note any serious defects. We are not, however, able to report that the property is free from rot, infestation or any other structural defects. No tests were carried out on any of the building services.

We have not carried out on-site measurement to verify the floor areas of the property under consideration but we have assumed that the floor areas shown on the documents handed to us are correct. Except as otherwise stated, all dimensions, measurements and areas included in the valuation certificate is based on information contained in the documents provided to us by the Group and are therefore approximations.

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

Our valuation is prepared in compliance with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Code on Turnovers and Mergers, and in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

Unless otherwise stated, all monetary amounts stated in our valuation are in Hong Kong Dollars (HK$).

Our Valuation Certificate is attached.

Yours faithfully,
For and on behalf of
Roma Appraisals Limited

Dr. Alan W K Lee *BCom(Property) MFin PhD(BA)* *MHKIS RPS(GP) AAPI CPV CPV(Business)* **Director**	**Nancy Chan** *BSc (Hons) MHKIS MRICS* **Senior Manager**

Note: Dr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 12 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region, European countries and American countries.

Note: Ms. Nancy Chan is a member of Hong Kong Institute of Surveyors and a member of the Royal Institution of Chartered Surveyors. She has over 6 years' experience in real estate industry and property and asset valuation in Hong Kong, Macau, the PRC, Singapore, United Kingdom and other overseas countries.

VALUATION CERTIFICATE

Property held by the Group for investment purpose in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 August 2016
6th, 7th, 9th, 10th, 12th, 15th, 16th, 17th, 18th, 19th & 20th Floors, 56 Car Parking Spaces and 1 Heavy Goods Vehicles Parking Space, One Harbour Square, No.181 Hoi Bun Road, Kowloon, Hong Kong (For details, please refer to Notes No. 1) 232,052/448,955th equal and undivided shares of and in the remaining portion of Kwun Tong Inland Lot No. 173	The property comprises 6th, 7th, 9th, 10th, 12th, 15th, 16th, 17th, 18th, 19th & 20th floors, 1 heavy goods vehicles parking space, 2 car parking spaces on ground floor, 7 car parking spaces on 1st floor, 7 car parking spaces on 2nd floor and 40 car parking spaces on 3rd floor of a 25-storey office building including basement and ground floor but excluding mechanical floor, known as One Harbour Square, was completed in 2013. According to the approved building plan, the office units of the property have a total gross floor area of about 159,278 sq.ft. (or about 14,797.318 sq.m.); and according to the sales brochure, it has a total salable area of about 124,101 sq.ft. (or about 11,529.26 sq.m.). Kwun Tong Inland Lot No. 173 is held under Government Lease for a term of 21 years commencing on 1 July 1960 and renewable for a further term of 16 years, and had been extended upon expiry until 30 June 2047 without premium but at a revised annual Government rent at 3% of the rateable value for the time being of the lot.	9th, 10th, 12th, 15th, 16th, 17th, 18th & 19th floors and 8 car parking spaces on 3rd floor of the property is subject to various tenancies. For details, please refer to Notes Nos. 3d to 3i and 5. As advised by the Group, the heavy goods vehicles parking space on ground floor, car parking spaces Nos. P112, P113, P115, P116, P117, P138, P139, P140, P141, P142 and P149 on 3rd floor of the property is occupied by the owner. Car parking spaces Nos. P132, P133, P135, P136 and P137 on 3rd floor of the property is occupied by tenant of 12th, 15th and 16th floors. As advised by the Group, the remaining portion of the property is vacant.	HK$2,596,960,000

Notes:

1. The property comprises the following office units and parking spaces of One Harbour Square:

Floor	Unit	Use	Market Value in Existing State as at 31 August 2016
6th Floor	Unit 1, 2 and 3	Office	HK$210,000,000
7th Floor	Unit 1, 2 and 3	Office	HK$216,000,000
9th Floor	Unit 1, 2 and 3	Office	HK$219,000,000
10th Floor	Unit 1, 2 and 3	Office	HK$222,000,000
12th Floor	Unit 1, 2 and 3	Office	HK$229,000,000
15th Floor	Unit 1, 2 and 3	Office	HK$232,000,000
16th Floor	Unit 1, 2 and 3	Office	HK$235,000,000
17th Floor	Unit 1, 2 and 3	Office	HK$233,000,000
18th Floor	Unit 1, 2 and 3	Office	HK$231,000,000
19th Floor	Unit 1, 2 and 3	Office	HK$242,000,000
20th Floor	Unit 1, 2 and 3	Office	HK$249,000,000
		Sub-Total	**HK$2,518,000,000**

Floor	Parking Space No.	Use	Market Value in Existing State as at 31 August 2016
Ground Floor	P3 and P5	Car Parking Space	HK$2,900,000
1st Floor	P33, P45, P46, P47, P48, P49 and P50	Car Parking Space	HK$9,800,000
2nd Floor	P73, P99, P100, P101, P102, P103 and P105	Car Parking Space	HK$9,660,000
3rd Floor	P106, P107, P108, P109, P110, P111, P112, P113, P115, P116, P117, P118, P119, P120, P121, P122, P123, P125, P126, P127, P128, P129, P130, P131, P132, P133, P135, P136, P137, P138, P139, P140, P141, P142, P143, P145, P146, P147, P148 and P149	Car Parking Space	HK$54,000,000
Ground Floor	HGV5	Heavy Goods Vehicles Parking Space	HK$2,600,000
		Sub-Total	**HK$78,960,000**

2. The registered owner of the property is Easywise Limited vide Memorial No.07042100770255 dated 28 March 2007.

3. The property is subject to the following encumbrances:

   a. Occupation Permit No.KN28/2013(OP) vide Memorial No.14060402380012 dated 9 September 2013;

   b. Certificate of Compliance vide Memorial No.14021102180174 dated 30 January 2014 (Remarks: RE KTIL S.A & R.P.);

c. Deed of Mutual Covenant and Management Agreement with plans in favour of Kai Shing Management Services Limited (Manager) vide Memorial No.14121502170026 dated 28 November 2014;

d. Lease with plans in favour of Orient Overseas Container Line Limited vide Memorial No. 15111001590076 dated 10 August 2015 (Remarks for 12th and 15th Floors: For 6 years from 1 September 2015 to 31 August 2021 with an option to renew for 3 years from 1 September 2021 to 31 August 2024); (Remarks for 16th Floor: For 68 months from 1 January 2016 to 31 August 2021 with an option to renew for 3 years from 1 September 2021 to 31 August 2024) (For 12th, 15th and 16th Floors only) and details are as follows:

Premises	**Commencement Date**	**Expiry Date**	**Monthly Rent#**
12th and 15th Floor	1-Sep-15	31-Dec-18	HK$988,956.0
	1-Jan-16	31-Aug-18	HK$988,956.0
	1-Sep-18	31-Aug-21	HK$1,062,212.0
16th Floor	1-Jan-16	31-Aug-18	HK$494,478.0
	1-Sep-18	31-Aug-21	HK$531,106.0

\# All exclusive of rates, management and air-conditioning charges.

e. Tenancy Agreement with plan in favour of The Financial Secretary Incorporated for the rent is HK$505,466.4 per month vide Memorial No. 15122900680135 dated 6 October 2015 (Remarks: Term for 3 years from 1 June 2015 to 31 May 2018) (For 9th Floor Only);

f. Tenancy Agreement with plan in favour of The Financial Secretary Incorporated for the rent is HK$523,780.4 per month vide Memorial No. 15122900680146 dated 6 October 2015 (Remarks: Term for 3 years from 15 April 2015 to 14 April 2018) (For 10th Floor Only);

g. Tenancy Agreement with plan in favour of The Financial Secretary Incorporated for the rent is HK$549,420 per month vide Memorial No. 15122900680154 dated 6 October 2015 (Remarks: Term for 3 years from 1 June 2015 to 31 May 2018) (For 17th Floor Only);

h. Tenancy Agreement with plan in favour of The Financial Secretary Incorporated for the rent is HK$531,780 per month vide Memorial No. 15122900680166 dated 6 October 2015 (Remarks: Term for 3 years from 4 March 2015 to 3 March 2018) (For 18th Floor Only);

i. Tenancy Agreement with plan in favour of The Financial Secretary Incorporated for the rent is HK$549,420 per month vide Memorial No. 15122900680177 dated 6 October 2015 (Remarks: Term for 3 years from 4 March 2015 to 3 March 2018) (For 19th Floor Only);

j. Mortgage in favour of the Hongkong and Shanghai Banking Corporation Limited to secure all moneys in respect of general banking facilities vide Memorial No.16092702480079 dated 23 September 2016 (For 6th, 7th, 16th, 17th, 18th, 19th & 20th Floors, 56 Car Parking Spaces and 1 Heavy Goods Vehicles Parking Space Only); and

k. For other encumbrances, please refer to the land search documents.

4. The property lies within an area zoned as "Other Specified Uses (Business)" under Kwun Tong (South) Outline Zoning Plan No.S/K14S/20.

5. Pursuant to the provide tenancy agreements, 9th, 10th, 12th, 15th, 16th, 17th, 18th & 19th floors and 8 car parking spaces on 3rd floor of the property is tenanted with the latest expiry date of 31 August 2021 at total monthly rent of HK$4,171,300.8 and details are as follows:

Premises	**Commencement Date**	**Expiry Date**	**Use**	**Monthly Rent**
Car Parking Space No. P121	1-Aug-16	31-Jul-18	Parking	HK$3,500.0*
Car Parking Space No. P122	1-Feb-16	31-Jan-17	Parking	HK$3,500.0*
Car Parking Space No. P123	1-Feb-16	31-Jan-17	Parking	HK$3,500.0*
Car Parking Space No. P125	1-Feb-16	31-Jan-17	Parking	HK$3,500.0*
Car Parking Space No. P126	1-Feb-16	31-Jan-17	Parking	HK$3,500.0*
Car Parking Space No. P129	7-Jul-16	6-Jul-17	Parking	HK$3,500.0*
Car Parking Space No. P130	1-Apr-16	31-Mar-17	Parking	HK$3,500.0*
Car Parking Space No. P131	1-Apr-16	31-Mar-17	Parking	HK$3,500.0*
9th Floor	1-Jun-15	31-May-18	Office	HK$505,466.4#
10th Floor	15-Apr-15	14-Apr-18	Office	HK$523,780.4#
12th and 15th Floor	1-Sep-15	31-Aug-21	Office	HK$988,956.0#
16th Floor	1-Jan-16	31-Aug-21	Office	HK$494,478.0#
17th Floor	1-Jun-15	31-May-18	Office	HK$549,420.0#
18th Floor	4-Mar-15	3-Mar-18	Office	HK$531,780.0#
19th Floor	4-Mar-15	3-Mar-18	Office	HK$549,420.0#
			Total	**HK$4,171,300.8**

* *inclusive of management fee, Government Rent and rates, but exclusive of all other outgoings.*

\# *exclusive of rates, management and air-conditioning charges.*

6. Our inspection was performed by Ms. Joanna T.Y Cheung, B.Dc. (Hons), in October 2016.

7. The property is located in the office/industrial district in Kwun Tong. Developments in the vicinity comprise a mixture of office/industrials/commercial buildings and public facilities including park and sitting out area. The pedestrian flow in the surrounding area is moderate. Public transportation facilities such as buses and taxis are conveniently available along Hoi Yuen Road and at the bus terminus located next to Kwun Tong Ferry Pier. The MTR (Kwun Tong) station is situated at about 10–15 minutes' walking distance from the property. According to Rating and Valuation Department published property market statistics, the provisional market yields of Grade A and Grade B office premises in August 2016 are in 3.0% and 3.4% respectively.

The following is a pro forma calculation of the Equality Money payable as at completion of the Transaction which shows the principal adjustments made in order to arrive at the Equality Money paid by UIL to Data Giant.

Calculation of Equality Money as adjusted as at Completion

				HK$'000	HK$'000	
Consolidated Net Assets of Bollardbay					2,618,579	Note 1
Adjustment for 8 office floors and 41 carparks retained		Average valuation		1,884,941		Note 2
		less	Carrying value	(450,477)		
					1,434,464	
Adjsutment for 3 office floors and 16 carparks retained		Agreed values		699,998		Note 3
(see Note 3)		less	Carrying value	(171,463)		
					528,535	
Adjusted Net Assets					4,581,578	
Attributable to	Data Giant	64.3%			2,945,955	
	UIL	35.7%			1,635,623	
					4,581,578	
Amount due to Data Giant						
	Satisfied by:		Easywise Bank Loan		680,000	Note 4
			Easywise Cash		2,185,343	Note 4
			Equality Money		80,612	Note 5
					2,945,955	

Note 1 Based on unaudited management accounts of Bollardbay and Easywise as at Completion on 23 September 2016 after removal of the shop on the ground floor, a Light Goods Vehicles parking space on the ground floor, and Retained Area B on the roof level of KTIL 173.

Note 2 Based on the total of the average of the valuations prepared by Knight Frank Petty Limited and DTZ Cushman & Wakefield Limited, as at 8 June 2016 of Floors 9, 10, 12, 15, 16, 17, 18 and 19 as well as 40 car parking spaces on the 3rd floor and 1 Heavy Goods Vehicles parking space on the ground floor.

Note 3 Based on the total of the values determined by arm's length negotiations between the parties of Floors 6, 7 and 20 as well as 16 car parking spaces on the 1st and 2nd floors.

Note 4 The proceeds of the Easywise Bank Loan were paid by Bollardbay to Data Giant in repayment of shareholders loan and to repurchase 64.3% of Bollardbay's shares held by Data Giant.

Note 5 The Equality Money was originally estimated to be HK$80,415,012 but was adjusted to HK$80,611,798 shortly after Completion. The Equality Money was paid by UIL to Data Giant.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and is 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

Interests of Directors and Chief Executives

This section sets out, as at the Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required for the following purposes (the "**Required Disclosures**"):

(a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or

(b) pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein; or

(c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers, to be notified to the Company and the Stock Exchange.

(1) Aggregate long position in the Shares, underlying shares and debentures of the Company and its associated corporations

Name of Directors	Capacity	Number of Shares	Approximate % of the issued Shares
Wong Chung Mat, Ben	Beneficial owner and interest of controlled corporation *(Note)*	134,304,740	28.06%
Wong Yin Man, Ada	Beneficial owner	1,000,000	0.21%
Chan Tsze Wah, Gabriel	Beneficial owner	1,837,500	0.38%
Wan Man Keung	Beneficial owner	1,000,000	0.21%
Yu Sun Say	Beneficial owner	500,000	0.10%

Note:

Mr. Wong Chung Mat, Ben was deemed (by virtue of the SFO) to be interested in 134,304,740 Shares in the Company. These Shares were held in the following capacity:

(a) 1,000,000 Shares were held by Mr. Wong Chung Mat, Ben personally.

(b) 133,304,740 Shares were held by Salop Investment Limited, which was wholly-owned and controlled by Mr. Wong Chung Mat, Ben.

(2) Aggregate short position in the Shares, underlying shares and debentures of the Company and its associated corporations

None of the Directors and the chief executives of the Company had short positions in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) for the purpose of the Required Disclosures.

Mr. Wong Chung Mat, Ben is a director of Salop Investment Limited and W. S. Wong & Sons Company Limited, both of which have an interest in the Shares that would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the Shares and underlying shares of the Company which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTOR'S INTERESTS IN CONTRACTS AND ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which, since 31 December 2015, being the date to which the latest published audited consolidated financial statements of the Group were made up, 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.

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

4. SERVICE CONTRACT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Group within one year without payment of any compensation (other than statutory compensation).

5. DIRECTORS' INTEREST IN COMPETING BUSINESSES

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors and their respective associates had any interest in businesses that competed or was likely to compete, whether directly or indirectly, with the business of the Group.

6. MATERIAL CONTRACTS

Save as disclosed below, no material contracts (not being contracts entered into in the ordinary course of business carried out by the Group) had been entered into by any member of the Group within the two years preceding the issue of this circular:

(a) the facility letter dated 11 June 2015 from Bank of China (Hong Kong) Limited to UIL in respect of a HK$300 million term loan;

(b) the facility agreement dated 11 November 2015 between UIL, the Company, WEC and the Hongkong and Shanghai Banking Corporation Limited in relation to a HK$340 million term loan facility;

(c) the letter dated 1 September 2016 from the Hongkong and Shanghai Banking Corporation Limited to UIL in relation to the amendment of the terms relating to a HK$420 million term loan facility;

(d) the first supplemental agreement dated 23 September 2016 between UIL, the Company, WEC and the Hongkong and Shanghai Banking Corporation Limited in relation to the amendment of the facility agreement dated 11 November 2015 under item (b) above;

(e) the guarantee dated 23 September 2016 given by Easywise in favour of the Hongkong and Shanghai Banking Corporation Limited guaranteeing the obligations of UIL subject to the maximum liability of HK$760 million together with the related default interest and expenses;

(f) the facility agreement dated 23 September 2016 between Easywise, the Company, WEC and the Hongkong and Shanghai Banking Corporation Limited in relation to a HK$680 million term loan facility;

(g) the mortgage dated 23 September 2016 given by Easewise in favour of the Hongkong and Shanghai Banking Corporation Limited under the facility agreement dated 23 September 2016 of item (f) above; and

(h) the rent assignment dated 23 September 2016 given by Easywise in favour of the Hongkong and Shanghai Banking Corporation Limited under the facility agreement dated 23 September 2016 of item (f) above.

7. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or claims of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened by or against the Group.

8. EXPERTS AND CONSENTS

(a) The followings are the qualification of the experts who have given opinions, letters or advice which are contained in this circular:

PricewaterhouseCoopers	Certified Public Accountants
Roma Appraisals Limited	Independent Valuer

(b) Each of PricewaterhouseCoopers and Roma Appraisals Limited has given, and has not withdrawn, its written consent to the issue of this circular with the inclusion of, and references, to its name and/or its opinion, letter or advice in the form and context in which they are included.

(c) As at the Latest Practicable Date, none of PricewaterhouseCoopers and Roma Appraisals Limited had any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

9. GENERAL

(a) The secretary of the Company is Ms. Ho Yuen Fan, who is a fellow member of The Hong Kong Institute of Chartered Secretaries.

(b) The registered office of the Company is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.

(c) The Company's head office and principal place of business is at 17/F, C-Bons International Center, No. 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong.

(d) The branch share registrar of the Company is Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

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

10. DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

Copies of the following documents are available for inspection during normal business hours on any Business Day up to and including the date which is 14 days from the date of this circular at the principal place of business of the Company in Hong Kong at 17/F, C-Bons International Center, No. 108 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong:

(a) the memorandum of association and bye-laws of the Company;

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

(c) the interim report of the Company for the six months ended 30 June 2016;

(d) the accountant's report from PricewaterhouseCoopers on the consolidated financial information of Bollardbay and Easywise for each of the financial years ended 30 June 2014, 2015 and 2016 respectively, the text of which is set out in Appendix II to this circular;

(e) the report from PricewaterhouseCoopers on the unaudited pro forma financial information of the Enlarged Group, the text of which is set out in Appendix III to this circular;

(f) the valuation report on the Property prepared by Roma Appraisals Limited, the text of which is set out in Appendix IV to this circular;

(g) the written consents referred to in the paragraph headed "Experts and Consents" in this Appendix;

(h) the material contracts referred to in the paragraph headed "Material Contracts" in this Appendix; and

(i) this circular.