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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult 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 securities in CCT Fortis Holdings Limited, you should at once hand this circular to the purchaser(s), the transferee(s) or to the bank, licensed securities dealer or registered institution in securities, or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or the transferee(s).

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CCT FORTIS HOLDINGS LIMITED

（中建富通集團有限公司）

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 00138)

MAJOR TRANSACTION

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27 September 2016

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

"Agreement"	the agreement dated 3 August 2016 entered into by and between CCT Global and the Company in respect of the Transaction;
"associate(s)"	has the same meaning as ascribed to it under the Listing Rules;
"Board"	the board of the Directors;
"Business Day(s)"	a day (other than Saturdays, Sundays and on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are open for general banking business;
"Capital Force"	Capital Force International Limited, a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are wholly-owned by Mr. Mak beneficially;
"Capital Winner"	Capital Winner Investments Limited, a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are wholly-owned by Mr. Mak beneficially;
"Caps"	the respective cap amounts in relation to the Manufacturing Transactions for the period from the Completion Date to 31 December 2016, and each of the two financial years ending 31 December 2018 as set out in the section headed "Caps Amount for the Manufacturing Transactions" in the Joint Announcement dated 3 August 2016;
"CCT Global"	CCT Tech Global Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of CCT Land;
"CCT Land"	CCT Land Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;
"CCT Land Director(s)"	the director(s) of CCT Land, from time to time;
"CCT Land Group"	CCT Land and its subsidiaries, from time to time;

"CCT Land SGM"	the special general meeting of CCT Land to be convened and held to consider and, if thought fit, approve, inter alia, the Transaction, the Manufacturing Transactions and the Caps or any adjournment thereof (as the case may be);
"CCT Land Share(s)"	the share(s) of HK$0.01 each in the capital of CCT Land;
"CCT Land Shareholder(s)"	the holder(s) of the issued CCT Land Share(s);
"CCT Tech Group"	the group of subsidiaries of CCT Land, which are engaged in the manufacturing of telecom, electronic and the Child Products;
"Child Products"	feeding, health care, hygiene, safety, toy and other related products for infants and babies, which are the child products currently traded by the Target Group;
"Child Product Trading Business"	the business of trading and sale of the Child Products currently engaged by the Target Group;
"Companies Ordinance"	the Companies Ordinance (Chapter 622 of the laws of Hong Kong);
"Company" or "CCT Fortis"	CCT Fortis Holdings Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange;
"Completion"	completion of the Transaction pursuant to the Agreement;
"Completion Date"	on or before the third Business Day following the date of fulfillment or waiver of the conditions precedent (other than conditions (a) and (b) as described in the section headed "Conditions precedent of the Agreement" of this circular, which will be fulfilled or waived on the Completion Date) to the Agreement;
"connected person"	has the same meaning as ascribed to it under the Listing Rules;
"Consideration"	HK$24,000,000, being the consideration payable for the Sale Share under the Agreement;
"Director(s)"	the director(s) of the Company, from time to time;
"Enlarged Group"	the Group as enlarged by the Transaction, which will include the Target Group upon Completion;

"Executive"	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission;
"First Supplemental Manufacturing Agreement"	the first supplemental manufacturing agreement dated 31 August 2016 entered into between CCT Global and the Company, which has amended the terms set out in the original Manufacturing Agreement dated 3 August 2016 with regard to the pricing policies for determining the sale prices for manufacturing and supplying the Child Products by the CCT Land Group to the Group;
"Group"	the Company and its subsidiaries, from time to time;
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Joint Announcements"	the joint announcement of the Company and CCT Land dated 3 August 2016 relating to, inter alia, the Agreement, the Transaction, the Manufacturing Agreement, the Manufacturing Transactions and the Caps, the joint announcement of the Company and CCT Land dated 31 August 2016 relating to the First Supplemental Manufacturing Agreement, the joint announcement of the Company and CCT Land dated 8 September 2016 relating to the extension of time to despatch the circular of the Company to 23 September 2016, the joint announcement of the Company and CCT Land dated 14 September 2016 relating to the Second Supplemental Manufacturing Agreement and the joint announcement of the Company and CCT Land dated 23 September 2016 relating to the further extention of time to despatch the circular of the Company to the date falling on or before 27 September 2016;
"Latest Practicable Date"	23 September 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Loan"	a HK$24 million interest-free loan due from CCT Land to the Company;
"Long Stop Date"	15 October 2016, or such later date as the parties to the Agreement may agree in writing;

"Manufacturing Agreement"	the agreement dated 3 August 2016 entered into between CCT Global and the Company (as amended and supplemented by the Supplemental Manufacturing Agreements) governing the terms and conditions for the manufacture and supply of the Child Products by the CCT Land Group to the Enlarged Group for the period from the Completion Date to 31 December 2018;
"Manufacturing Transactions"	the continuing connected transactions of CCT Land as contemplated under the Manufacturing Agreement to be entered into between the CCT Land Group and the Enlarged Group in relation to the manufacture and supply of the Child Products by the CCT Land Group to the Enlarged Group, details of which are set out in the Joint Announcements;
"Mr. Mak"	Mr. Mak Shiu Tong, Clement, the chairman, the chief executive officer, an executive Director and a controlling shareholder of the Company and the chairman, an executive CCT Land Director and the chief executive officer of CCT Land;
"New Capital"	New Capital Industrial Limited, a company incorporated in the British Virgin Islands with limited liability, the issued shares of which are wholly-owned by Mr. Mak beneficially;
"percentage ratios"	has the meaning ascribed to it under the Listing Rules;
"PRC" or "China"	the People's Republic of China, excluding for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan;
"Proposal"	the conditional proposal from Poly International Investments Limited in relation to a possible subscription of new shares in CCT Land, details of which are set out in the announcement of CCT Land dated 20 June 2016;
"Relevant Shareholders"	a closely allied group of Shareholders comprising Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 457,394,731 Shares, representing approximately 52.10% of the total number of issued shares of the Company as at the Latest Practicable Date;

"Sale Share"	one (1) share of US$1.00 each in the capital of the Target Company, representing the entire issued share capital of the Target Company;
"Second Supplemental Manufacturing Agreement"	the second supplemental manufacturing agreement dated 14 September 2016 entered into between CCT Global and the Company, which further amend certain terms set out in the original Manufacturing Agreement dated 3 August 2016 (as revised by the First Supplemental Manufacturing Agreement) with regard to the manufacturing and supplying the Child Products by the CCT Land Group to the Group;
"SFO"	Securities and Future Ordinance under Cap. 571 of the Laws of Hong Kong;
"Share(s)"	the share(s) of HK$0.10 each in the capital of the Company;
"Shareholder(s)"	the holder(s) of the issued Share(s);
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"subsidiaries"	has the meaning ascribed to it under the Companies Ordinance;
"Supplemental Manufacturing Agreements"	the First Supplemental Manufacturing Agreement and the Second Supplemental Manufacturing Agreement;
"Takeovers Code"	The Code on Takeovers and Mergers;
"Target Company"	Suremark Holdings Limited, a company incorporated in the British Virgin Islands and is a direct wholly-owned subsidiary of CCT Global as at the Latest Practicable Date;
"Target Group"	the Target Company and its subsidiaries, including Wiltec Industries and Wiltec Industrial;
"Transaction"	the sale and purchase of the Sale Share between CCT Global and the Company as contemplated under the Agreement;
"US"	The United States of America;
"US$"	United States dollar(s), the lawful currency of US;
"Wiltec Industrial"	Wiltec Industrial Limited, a company incorporated in Hong Kong and a direct subsidiary of the Target Company, which is engaged in the trading and sale of the Child Products;

"Wiltec Industries"	Wiltec Industries (HK) Limited, a company incorporated in the British Virgin Islands and a direct subsidiary of the Target Company, which was engaged in the trading and sale of the Child Products; and
"%"	per cent.



CCT FORTIS HOLDINGS LIMITED
（中建富通集團有限公司）
(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)
(Stock Code: 00138)

Executive Directors:
Mak Shiu Tong, Clement
Tam Ngai Hung, Terry
Cheng Yuk Ching, Flora
William Donald Putt

Independent non-executive Directors:
Tam King Ching, Kenny
Chow Siu Ngor
Chen Li

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

Head office and principal place of business in Hong Kong:
31/F., Fortis Tower
77–79 Gloucester Road
Hong Kong

27 September 2016

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION

INTRODUCTION

References are made to the Joint Announcements.

It was announced that on 3 August 2016, CCT Global (a wholly-owned subsidiary of CCT Land) and the Company entered into the Agreement, pursuant to which CCT Global conditionally agreed to sell and the Company conditionally agreed to purchase or procure its designated nominee to purchase the Sale Share at the Consideration of HK$24,000,000, to be satisfied by way of set-off of the Loan on the Completion Date. The Loan was borrowed under the loan agreement dated 4 January 2016 entered into between the Company and CCT Land to provide funds to finance the working capital of CCT Land. The Loan is interest-free, has no fixed repayment terms and is repayable on demand. The Sale Share represents 100% of existing total number of issued share of the Target Company as at the Latest Practicable Date.

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Transaction for the Company exceeds 25% and all of the applicable percentage ratios are less than 100%, the Transaction constitutes a major transaction for the Company under the Listing Rules and therefore, the Transaction is subject to announcement, circular and approval by the Shareholders under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Transaction. As such, no Shareholder would be required to abstain from voting in favour of the resolution approving the Transaction if the Company were to convene a special general meeting to approve the Transaction. Pursuant to Rule 14.44 of the Listing Rules, the Company has obtained a written approval from a closely allied group of Shareholders comprising of Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 457,394,731 Shares, representing approximately 52.10% of the total number of issued shares of the Company as at the Latest Practicable Date, to approve the Transaction.

On 3 August 2016, 31 August 2016 and 14 September 2016 (after trading hours of the Stock Exchange of each date), CCT Global and the Company entered the original Manufacturing Agreement, the First Supplemental Manufacturing Agreement and the Second Supplemental Manufacturing Agreement, respectively in relation to the Manufacturing Transactions. The Supplemental Manufacturing Agreements were entered into to amend certain terms in respect of the transactions contemplated under the original Manufacturing Agreement dated 3 August 2016. The amendments under the Second Supplemental Manufacturing Agreements are summarized as follows:

1. Priority of Purchase

The Group will give priority to the CCT Land Group in the manufacturing and supplying of the Child Products. In the event that the CCT Land Group rejects any purchase order for the Child Product(s) from the Group because the Sale Price offered is not satisfactory to the CCT Land Group, the Group cannot purchase the Child Product(s) from any other parties at a price lower than the Sale Price offered to the Group. In this connection, the Group is required to provide purchase orders and invoices to evidence that the price of its purchasing (if any) from other manufacturers or suppliers is not less than the Sale Price offered to the CCT Land Group.

2. Pricing terms and policies

The price of the Child Products to be manufactured and supplied by the CCT Land Group to the Group will be determined on a case-by-case basis. The parties to the Manufacturing Agreement will take into account the following non-exhaustive factors in determining the price of each Child Product model payable by the Group:

(a) The sale price in respect of specific models of the Child Products payable by the Group to the CCT Land Group (the "**Sale Price**") will be the higher of the prices determined under the following two bases:

(i) the sum of the direct material costs of each specific model of the Child Products plus a mark-up of up to two hundred fifty percent (250%) of the direct material costs of the specific product model (the "**Cost-plus Basis**"); or

(ii) the selling prices for specific models of the Child Products that the Group sells to independent third party distributors or retailers (the "**Third Party Prices**") less a discount of up to ten percent (10%), which discount is intended to cover the product development costs, sales and marketing costs, the customer's credit risk, administrative costs and profit margin of the Child Product Trading Business;

(b) the projected orders that are to be placed by the Group in respect of the relevant Child Product model for each calendar year;

(c) the degree of complexity in the manufacturing process of the Child Product model; and

(d) the logistics involved in the delivery of the finished Child Products from the manufacturing facilities of the CCT Land Group to the Group, where applicable.

The Group will provide documentary evidence (such as sales quotation and sales invoices) to the CCT Land Group to support the Third Party Prices.

3. Provisions relating to termination of the Manufacturing Agreement

The parties to the Manufacturing Agreement have agreed under the Second Supplemental Manufacturing Agreement that neither party has any right to terminate the Manufacturing Agreement (as amended and supplemented by the Supplemental Manufacturing Agreements) prior to the expiry date of 31 December 2018 (the "**Expiry Date**") without cause. Both parties may mutually renew the Manufacturing Agreement in writing at least six months prior to the Expiry Date for another three (3) years subject to compliance with the Listing Rules.

The Directors have taken into consideration the following factors before the Second Supplemental Manufacturing Agreement was entered into:

(a) The Directors considered that it in the best interest of the Company to secure a reliable and long term source for the Child Products Trading Business, and the CCT Land Group is a suitable candidate as (A) it has traditionally been supplying the Child Product Trading Business (which will be transferred from CCT Land Group to Group upon completion of the Transaction) with the Child Products and is familiar with requirements of the Child Product Trading Business, and (B) it has obtained the relevant safety and quality certifications for manufacturing the Child Products and has established strong reputation as a quality manufacturer through its long history of manufacturing and supplying the Child Products to international customers.

(b) The Directors were of the view that it is in the interest of the Company to give priority to the CCT Land Group in the manufacturing and supplying of the Child Products so as to give confidence to the existing customers of the Target Group and the market that the Group has ability to supply high quality Child Products after the Transaction. At the same time, the ability by the Group to source for alternate manufacturers or suppliers would not be unduly restricted as the terms of the Manufacturing Agreement (as amended and supplemented by the First Supplemental Manufacturing Agreement and the Second Supplemental Manufacturing Agreement) (the "**Revised Terms**") would still allow the Company to source for alternatives at a purchase price equal or higher than the Sale Price offered by the CCT Fortis Group in the event that CCT Fortis and CCT Land could not agree on the Sale Price for the Child Products.

(c) Under the Revised Terms, the Sale Price for the Child Products will be determined on a case-by-case basis taking into account various non-exhaustive factors including a price based on the higher of the prices determined under the Cost-plus basis and the Third Party Prices less a discount of up to 10%. The pricing terms allow flexibility and a fair and reasonable price range for both parties to negotiate and determine the final Sale Price for each purchase order of the Child Products. The management of the Group will negotiate the Sale Price on an arm's length basis with the CCT Land Group for each purchase order of the Child Products, in accordance with the pricing policies set out in the Manufacturing Agreement (as amended and supplemented by the Supplemental Manufacturing Agreements). In the process of negotiation and determination of the Sale Price, the management of the Group will act in the best interest of the Group. The final Sale Price that the Group will offer to the CCT Land Group for each model of the Child Products will be determined based on consideration of the best interest of the Group and represent a fair and reasonable price for the purchase of the Child Products with same or similar quality. In the event that the CCT Land Group does not accept the Sale Price offered by the Group, the Group may still purchase the Child Products from other manufacturer(s) or supplier(s) at a price which is equal or higher than the Sale Price offered to the CCT Land Group. As such, the Company will be able to ensure that the final Sale Price negotiated between the Company and CCT Land will be a price which is considered by the Group to be satisfactory and in the best interest of the Group and its shareholders as a whole.

(d) Given that under the Revised Terms, neither CCT Land nor the Company would be able to terminate the Manufacturing Agreement prior to the expiration of the term of the Manufacturing Transactions, the Company considers that the Revised Terms will enhance the confidence of customers in its ability to supply high quality Child Products after the Transaction, and also secure a reliable and long term source for the Child Products for the Child Products Trading Business. Having the Company as its long term customer with steady stream of purchase orders is also expected to allow CCT Land to lower its per-unit manufacturing costs which will, in turn, benefit the Company through the pricing terms. Finally, as the parties to the Manufacturing Agreement may agree

on the renewal of the Manufacturing Agreement at least six months prior to the Expiry Date, it is also expected that the Revised Terms will allow sufficient time for the Group to find another reliable and long term source for the Child Products upon the expiration of the term of the Manufacturing Transactions, if the need so arises.

In view of the above, the Directors are of the view that the Revised Terms and the entering into of the Second Supplemental Manufacturing Agreement by the Company are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The purpose of the Manufacturing Agreement (as amended and supplemented by the Supplemental Manufacturing Agreements) and the Manufacturing Transactions is to ensure that the Enlarged Group will continue to have secured source of the Child Products after completion of the Transaction.

The Company was informed by the CCT Land Directors that given that the Company is a CCT Land Shareholder, each of the Transaction and the Manufacturing Transactions constitutes a special deal for CCT Land under Rule 25 of the Takeovers Code in connection with the Proposal and require the consent of the Executive.

The Purpose of this circular is to provide the Shareholders with further information regarding details of the Agreement and the Transaction and other information required to be disclosed under the Listing Rules.

THE AGREEMENT AND THE TRANSACTION

The Agreement was entered into between the following parties and the key terms of which are as follows:

Date:	3 August 2016 (after trading hours of the Stock Exchange)	
Parties:	(i) Vendor:	CCT Tech Global Holdings Limited
	(ii) Purchaser:	CCT Fortis Holdings Limited
Subject matter:	Pursuant to the Agreement, CCT Global conditionally agreed to sell, and the Company or its designated nominee conditionally agreed to purchase the Sale Share at a consideration of HK$24,000,000. The Sale Share represents 100% of existing total number of issued share of the Target Company.	

CCT Global is a direct wholly-owned subsidiary of CCT Land. As at the Latest Practicable Date, Mr. Mak, Mr. Tam Ngai Hung, Terry, Ms. Cheng Yuk Ching, Flora, Mr. Chow Siu Ngor and Mr. Tam King Ching, Kenny are common directors of both CCT Land and the Company.

Furthermore, as at the Latest Practicable Date, the Company holds indirectly a total of 14,000,000,000 CCT Land Shares, representing approximately 10.43% of the total number of CCT Land Shares. In addition, the Company holds indirectly the convertible bonds of CCT

Land with the principal amount of HK$495,671,000, which are convertible into 49,567,100,000 CCT Land Shares at the conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the terms and conditions of the convertible bonds).

Save as disclosed in this circular, to the best of the knowledge, information and belief and having made all reasonable enquiries by the Directors, CCT Land is independent of the Company.

Consideration of the Transaction

The Consideration of the Transaction is HK$24,000,000 and will be payable by the Company to CCT Land. The Consideration will be satisfied by way of set-off of the Loan on the Completion Date.

The Consideration was determined after arm's length negotiation between the parties to the Transaction, based on the consolidated net assets of the Target Group in the amount of approximately HK$24 million as at 30 April 2016 and taking into consideration the historical financial performance of the Target Group and the respective benefits to be derived by the Group from the Transaction as set out in the section headed "Reasons for and benefits of the Transaction" of this circular.

The Directors consider that the Consideration to be fair and reasonable to the Company, on normal commercial terms and in the interests of Company and Shareholders as a whole.

Conditions precedent of the Agreement

Completion is conditional upon the fulfillment or waiver of the following conditions precedent:

(a) the warranties given by CCT Global under the Agreement remaining true and accurate and not misleading;

(b) the warranties given by the Company under the Agreement remaining true and accurate and not misleading;

(c) the approval by the independent CCT Land Shareholders at the CCT Land SGM of the Transaction and the Manufacturing Transactions having been obtained;

(d) consent having been obtained from the Executive in respect of the Transaction and the Manufacturing Transactions and such consent not having been revoked at Completion; and

(e) all necessary consents from third parties (including governmental or official authorities and any other third parties), if any, in connection with the transactions contemplated under the Agreement having been obtained by CCT Global and no statute, regulations or decision which would prohibit, restrict or materially delay the sale and purchase of the Sale Share having been proposed, enacted or taken by any governmental or official authority.

The Company will have the right to waive the conditions precedent set out in paragraphs (a) and (e) above at any time by notice in writing to CCT Global. CCT Global will have the right to waive the condition precedent in paragraph (b) above at any time by notice in writing to the Company.

In the event that any of the conditions precedent will not have been fulfilled or waived on or before the Long Stop Date, the Agreement will cease to be of any effect save in respect of claims arising out of any antecedent breach of the Agreement.

Up to the Latest Practicable Date, none of the above conditions precedent has been fulfilled or waived.

Completion

Completion of the Transaction will take place at no later than 5:00 p.m. on the Completion Date (or such later date as the parties to the Agreement may agree in writing).

Upon Completion, all the members of the Target Group will (i) cease to be subsidiaries of CCT Land, and (ii) will be accounted for as subsidiaries of the Company.

INFORMATION ABOUT THE TARGET GROUP

The Target Company is an investment holding company and the Target Group is principally engaged in the trading and sale of the Child Products. All the Child Products are sold to independent third parties, which are international household brands and major distributors of Child Products. All of the Child Products traded by the Target Group are currently manufactured by the CCT Tech Group.

The Child Product Trading Business is currently carried on by Wiltec Industries and Wiltec Industrial, which are direct subsidiaries of the Target Company.

The key financial information of the Target Group is summarized as follows:

Target Group	**For the year ended 31 December 2014** *HK$ million* (audited)	**For the year ended 31 December 2015** *HK$ million* (audited)
Consolidated profit before tax	2.7	2.2
Consolidated profit after tax	2.6	1.8

Target Group	**As at 30 April 2016** *HK$ million* (audited)
Consolidated total assets	44
Consolidated net assets	24

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group plans to enter into e-commerce business, providing business-to-business ("**B2B**") and business-to-consumer ("**B2C**") sales services via internet. It is investing money into and is in the process of establishing an online shopping platform, targeting the huge and fast-growing online shopping business in China. One of the major line of products to be launched and sold through the online sales platform to be established by the Group will be the Child Products currently traded by the Target Group. As China has formally abolished the one-child policy in 2015, the Group considers that the birth rate in China is expected to rise in the near future and as a result, the demand for Child Products with high quality and safety is expected to rise in the coming years. Therefore, the Directors decide to acquire the Child Product Trading Business from the CCT Land Group and the Group intends to transform the traditional offline sales channel of the Target Group into the online B2B business. The Group intends to design and develop more child products cater for the enormous Chinese market and intends to sell the Child Products to consumers through the online shopping platform and as such expand the Child Product Trading Business into the huge and fast-growing B2C online business. After Completion, the Target Group intends to continue to source the Child Products from the CCT Land Group under the terms of the Manufacturing Agreement. The Group will sell the Child Products to distributors and retailers (B2B sales) through internet sales platform. It will also sell the Child Products to consumers (B2C sales) through its online shopping portal. The Group has already developed the online sales platform for the Child Products, which will be launched after completion of the Transaction. The Group intends to position itself in the e-commerce sector as a trader providing good quality products with no counterfeit goods. The Group intends to expand the product lines to other high quality consumer products. The Group has already engaged enough staff and consultants who are well-experienced in the e-commerce business to develop and operate this new business. The Group intends to engage more expertise as this new venture may grow in the future.

The Directors are of the view that the Transaction will result in the following benefits to the Group:

1. The Transaction will increase the revenue of the Group as the Group will convert the existing sales of the Target Group into B2B online sales and will also enter into the B2C sales, targeting at the huge and rapid growing Chinese online shopping market.

2. The Transaction will enable the Enlarged Group to secure immediately a reliable source of high quality Child Products for its new online sales business. The Directors consider that the online B2B and B2C business has excellent business potentials and promising growth prospect in view of the huge and rapid-growing e-commerce business in China. Also, as China has abolished the one-child policy in 2015, the birth rate of China will increase and the demand for Child Products of high quality and safety is expected to rise in coming years.

3. The settlement of the Consideration by set-off of the Loan at Completion will not require any further cash outlay on the Group.

Under the Manufacturing Agreement (as amended and revised by the Supplemental Manufacturing Agreements), neither party has a right to terminate the Manufacturing Agreement prior to the expiration of the term of the Manufacturing Agreement,. As the parties to the Manufacturing Agreement may agree on the renewal of the Manufacturing Agreement at least six months prior to the expiration of the term of the Manufacturing Agreement, the Directors believe that such renewal terms would allow sufficient time for the Group to find alternate reliable and long term source of the Child Products upon the expiration of the term of the Manufacturing Agreement, if the need so arises. At present, the Company does not have any plan, arrangement, understanding, intention, negotiation taken place or in-progress on any potential transaction which would involve acquisition of the CCT Land Group's business of manufacturing the Child Products.

In light of the benefits above, the Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement and the Transaction are on normal commercial terms, fair and reasonable, and in the interests of the Company and Shareholders as a whole.

INFORMATION ON CCT GLOBAL AND THE CCT LAND GROUP

CCT Global is a direct wholly-owned subsidiary of CCT Land and is engaged in investment holding. CCT Land is the holding company of the CCT Land Group. As at the Latest Practicable Date, the CCT Land Group was principally engaged in: (i) design and development, manufacturing and sale of telecom, electronic, and Child Products; (ii) the Child Product Trading Business through the Target Group; (iii) development and sale of residential and commercial properties in the PRC; and (iv) the internet finance business.

INFORMATION ON THE COMPANY AND THE GROUP

As at the Latest Practicable Date, the Company holds indirectly a total of 14,000,000,000 CCT Land Shares, representing approximately 10.43% of the total number of CCT Land Shares. In addition, the Company holds indirectly the convertible bonds of CCT Land with the principal amount of HK$495,671,000, which are convertible into 49,567,100,000 CCT Land Shares at the conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the terms and conditions of the convertible bonds).

The Company is the holding company of the Group, which is principally engaged in the following activities as at the Latest Practicable Date:

1. property development and property trading in Hong Kong;

2. property investment and holding;

3. manufacture and sale of plastic components;

4. the securities business;

5. investment in classic cars;

6. sale and trading of classic cars;

7. cultural entertainment business;

8. other operations which comprise supporting service business and start-up business; and

9. new business of e-commerce and trading of industrial products.

FINANCIAL EFFECTS OF THE TRANSACTION

After Completion, members of the Target Group will become wholly-owned subsidiaries of the Company and their accounts will be consolidated into the accounts of the Group. The accounting policies of the Target Group are consistent with those of the Group. The financial effects of the Transaction are elaborated.

(a) Net profits

As set out in Appendix II to this circular, the audited consolidated profit after tax of the Target Group for the year ended 31 December 2015 was approximately HK$1.8 million. On this basis, the Directors expect that the Transaction would have a positive impact on the Group's net profit upon Completion. Furthermore, as the Enlarged Group intends to grow the Child Product Trading Business through its new online sales platform, it is expected that the revenue and profitability of this business may be increased after Completion.

(b) Net assets

Based on the unaudited pro forma statement of financial position of the Enlarged Group set out in Appendix III to this circular and assuming that the Transaction were completed on 31 December 2015, for illustration purpose only, the Transaction would give rise to the following effects to the assets and liabilities of the Group:

(i) an increase in the current assets of approximately HK$19 million, which represented the net effect of consolidation of trade receivables and cash and cash equivalents of the Target Group upon Completion and the set-off of the Consideration against the Loan;

(ii) an increase in the current liabilities of approximately HK$19 million, as a result of consolidation of the bank loans and other payables and accruals of the Target Group upon Completion; and

(iii) no significant change to the net asset value of the Enlarged Group as the Consideration for the Transaction is equal to the net asset value of the Target Group and the Consideration will be set-off against the Loan.

(c) The gearing

Based on the 2015 audit report of the Group, the Group's gearing ratio (representing total borrowings as a percentage of the sum total of equity and total borrowings) was approximately 25.3% as at 31 December 2015. Based on the pro forma statement of financial position of the

Enlarged Group set out in Appendix III to this circular, the gearing ratio would marginally increase to approximately 25.6% after Completion. As such, the increase in the gearing ratio as a result of the Transactions is not expected to be significant.

The financial effect of the Transaction set out in section was prepared based on the unaudited pro forma financial information of the Enlarged Group for illustration purposes. As a number of assumptions have been made in the preparation of the unaudited pro forma information of the Enlarged Group, the financial effects of the Transaction as elaborated above may not give a true picture of the actual financial effects of the Transaction on the Group, which will depend on the fair values of the identifiable assets and liabilities of the Target Group as at the Completion Date and the results of the Target Group after Completion.

FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The global economy is expected to be uncertain and volatile going forward. Current market attention is focused on consequence of the United Kingdom referendum decision to exit from the European Union. The economic outlook is overshadowed by geo-political events and concerns over slowing global economies, further interest rate hikes in the US, subdued commodity prices and the strong headwinds from foreign exchange movements.

It is expected that the Enlarged Group will expand its customer base and will increase its revenue as a result of the Transaction as it can enter into the new e-commerce business with the immediate source of the customers and the Child Products of the Target Group. The Directors consider that the online B2B and B2C business has excellent business potentials and promising growth prospect in view of the huge and rapid-growing e-commerce business in China. Furthermore, as China abolished the one-child policy in 2015, the birth rate of China will increase and the demand for Child Products of high quality and safety is expected to rise in coming years.

The Enlarged Group is happy with the performance and development of its core businesses which comprise the property business, the securities business, multi-faceted automotive business and the cultural entertainment business. The Enlarged Group is well-positioned to meet future challenges and will strive to deliver strong results. The Enlarged Group is committed to expand to build up and grow new business ventures and to capture new business opportunities.

The financial position of the Enlarged Group remains solid and healthy. As the Consideration will be satisfied by way of set-off of the Loan on the Completion Date, which will not require any further cash outlay and will therefore conserve the cash resources of the Enlarged Group.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios set out in the Listing Rules in respect of the Transaction for the Company exceeds 25% and all of the applicable percentage ratios are less than 100%, the Transaction constitutes a major transaction for the Company under the Listing Rules and therefore, the Transaction is subject to announcement, circular and approval by the Shareholders under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholder or any of their respective associates have any material interest in the Transaction. As such, no Shareholder would be required to abstain from voting in favour of the resolution approving the Transaction if the Company were to convene a special general meeting to approve the Transaction. Pursuant to Rule 14.44 of the Listing Rules, the Company has obtained a written approval from a closely allied group of Shareholders comprising of Mr. Mak, Capital Force, New Capital and Capital Winner, which together are beneficially interested in an aggregate of 457,394,731 Shares, representing approximately 52.10% of the total number of issued shares of the Company as at the Latest Practicable Date, to approve the Transaction. Of the 457,394,731 Shares beneficially interested by the Relevant Shareholders, 11,369,652 Shares, 96,868,792 Shares, 171,357,615 Shares and 177,798,672 Shares are beneficially owned by Mr. Mak, Capital Force, New Capital and Capital Winner respectively, representing approximately 1.30%, 11.03%, 19.52% and 20.25%, respectively of the total number of issued shares of the Company as at the Latest Practicable Date.

RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement and the Transaction are on normal commercial terms, fair and reasonable, and in the interests of the Company and Shareholders as a whole.

OTHER INFORMATION

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

Yours faithfully,
For and on behalf of the Board of
CCT FORTIS HOLDINGS LIMITED
Mak Shiu Tong, Clement
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The audited financial information of the Group: (i) for the year ended 31 December 2015 was disclosed on pages 47 to 139 of the 2015 annual report of the Company dated 29 March 2016; (ii) for the year ended 31 December 2014 was disclosed on pages 48 to 152 of the 2014 annual report of the Company dated 31 March 2015; and (iii) for the year ended 31 December 2013 was disclosed on pages 46 to 132 of the 2013 annual report of the Company dated 25 March 2014. The unaudited financial information of the Group for the six months ended 30 June 2016 is disclosed in the Company's interim report dated 26 August 2016.

All these financial statements have been published on the websites of the Stock Exchange (www.hkexnews.hk) and that of the Company (http://www.cct-fortis.com/eng/investor/annual_reports.php).

The audited financial statements of the property holding groups, which were acquired by the Company from Mr. Mak in the first half of 2016, for the three years ended 31 December 2013, 2014 and 2015 have been disclosed in the Appendix II on pages II-1 to pages II-36 of the Company's circular dated 9 March 2016.

2. STATEMENT OF INDEBTEDNESS OF THE ENLARGED GROUP

As at the close of business on 31 July 2016 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Enlarged Group had the following outstanding indebtedness:

(a) convertible bonds liability of approximately HK$328 million, which was unsecured and unguaranteed;

(b) bank and other borrowings of approximately HK$1,325 million, of which HK$1,324 million was guaranteed and HK$1 million was not guaranteed;

(c) the total bank and other borrowings of HK$1,325 million were secured by charges on assets (including properties) and pledge of fixed deposits of the Enlarged Group, with aggregate net book value as at 31 July 2016 of approximately HK$2,260 million and HK$55 million, respectively; and

(d) Corporate guarantees of total amount of approximately HK$146 million had been given by the Company to a lending bank of the CCT Land Group, guaranteeing banking facilities of the CCT Land Group.

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

(Note: all figures stated in this section are unaudited.)

3. WORKING CAPITAL

The Directors, after due and careful enquiry and consideration, are of the opinion that the Enlarged Group will, after taking into account the effect of the Transaction', and the present internal financial resources available to the Enlarged Group including internally generated cash flows and the existing banking and credit facilities available, have sufficient working capital for its present requirements in next 12 months from the date of this circular in the absence of unforeseen material circumstances.

4. MANAGEMENT DISCUSSION AND ANALYSIS ON THE GROUP

Based on the Company's annual report for the year ended 31 December 2015

Analysis by business segment

The securities business was the key driver for growth in revenue and earnings in 2015, primarily driven by the gains on the Group's holding of CCT Land Shares and the convertible bonds. This business segment delivered operating gains of HK$397 million, which comprised realised gains arising from disposal of CCT Land Shares held as trading securities and aggregate unrealised fair value gains in relation to its portfolio of CCT Land Shares and the convertible bonds held by the securities trading unit at year end.

In the absence of any sale of property project in the year, the property development and trading operations recorded loss of HK$39 million, representing increase in loss of HK$16 million compared with 2014. This year's operating loss comprised salaries, operating and administration expenses incurred and fair value loss on the properties recorded.

The property investment business contributed rental revenue of HK$13 million and operating profit of HK$20 million. The profit increased by HK$2 million from last corresponding year, primarily attributable to fair value gains on the investment properties portfolio.

The multi-faceted automotive business delivered strong revenue of HK$99 million, increased by HK$73 million or 280.8% compared with 2014, as it entered into its second year of operations. The pace of growth of the Blackbird Group is encouraging. Operating loss of HK$17 million, in total was recorded, largely attributable to the automotive service business, mainly as a result of depreciation and salaries.

The segmental revenue of the component business was HK$94 million, fell HK$28 million or 23.0% on a year-on-year basis, led by the decrease in sale of the plastic components to the CCT Tech Group. Loss increased by HK$39 million on a year-on-year basis as the revenue of this business segment fell further below its break-even point, and the adverse impact was compounded by the increase in labour wages, impairment of fixed assets of approximately HK$10 million and certain restructuring costs.

Capital structure and gearing ratio

The Group's gearing ratio further improved from 29.8% as at 31 December 2014 to 25.3% as at 31 December 2015, driven by the reduction of bank borrowings through repayments and increase in equity by net profit for 2015.

Total outstanding bank borrowings were HK$970 million. Approximately 54% of these bank borrowings were of long-term nature, primarily representing mortgage loans on properties held by the Group.

As at 31 December 2015, the maturity profile of the bank and other borrowings of the Group falling due within one year, in the second to the fifth year and beyond five years amounted to HK$443 million, HK$316 million and HK$211 million, respectively. There was no material effect of seasonality on the Group's borrowing requirements.

Liquidity and financial resources

The Group's current ratio as at 31 December 2015 soared to 398.7%, reflecting a strong financial position. The significant improvement was principally led by the additions of the trading securities, representing the CCT Land Shares and the convertible bonds held by the Group, which were classified as financial assets at fair value through profit or loss.

The Group's cash balance (including pledged deposits) increased by HK$174 million to reach HK$402 million at year end. The increase was largely derived from proceeds from disposals of CCT Land Shares, after deduction for funds applied for working capital and acquisition of properties and expansion of the Group's business, and dividend payments. In view of the Group's current cash position and the banking facilities available, the Group continued to maintain a sound financial position and has sufficient resources to finance its operations and its future expansion plan.

Capital commitments

The Group did not have any capital commitments as at 31 December 2015. The Group intends to finance the capital commitment partly by internal resources and balance by bank borrowings.

Treasury management

The Group employs a conservative approach to cash management and risk control. To achieve better risk control and efficient fund management, the Group's treasury activities are centralised.

During the financial year 2015, the Group's receipts were mainly denominated in Hong Kong dollar, Euro and Pound Sterlings. Payments were mainly made in Hong Kong dollar, Euro, Pound Sterlings and RMB. Cash was generally placed in short-term deposits

denominated in Hong Kong dollar, and RMB. As at 31 December 2015, the Group's borrowings were mainly denominated in Hong Kong dollar, and interest on the borrowing was principally determined on a floating rate basis.

The objective of the Group's treasury policies is to minimise risks and exposures due to the fluctuations in foreign currency exchange rates and interest rates. The Group does not have any significant interest rate risk at present as the interest rates currently remain at low level.

The current devaluation of RMB benefits our component manufacturing business as the wages and overhead in our factory are paid in RMB. The Group have already unwound the previous arrangement of pledging RMB deposits for HK dollar loans.

As for Euro and Pound Sterlings, these currencies have experienced certain devaluation against US dollars in 2015. However as most of the payments and receipts arising from purchase and sale of classic cars were transacted in Euro or Pound Sterlings, our exposure to the European currencies is not significant.

During the year ended 31 December 2015, the Group's exposure to foreign exchange was not significant. The Group has not entered into any financial instrument or derivative to hedge against foreign exchange exposure.

Acquisition and disposal of material subsidiaries and associates

The Group did not acquire or dispose of any material subsidiaries and associates during the year under review.

Significant investment

Other than the shares and the convertible bonds of CCT Land held by the Group and the held-to-maturity debt securities (represented RMB denominated bonds) disclosed in the 2015 annual report, the Group did not hold any significant investment as at 31 December 2015.

Pledge of assets

As at 31 December 2015, certain of the Group's assets with a net book value of approximately HK$1,812 million and time deposits of approximately HK$47 million were pledged to secure the Group's bank loans.

Contingent liabilities

As at 31 December 2015, the Group had contingent liabilities in terms of corporate guarantees of aggregate amount of approximately HK$146 million given by the Company to guarantee trade facilities of certain members of CCT Land Group of which approximately HK$112 million of trade facilities were utilized by the CCT Land Group.

Employees and remuneration policy

The total number of employees of the Group as at 31 December 2015 was 635. The Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration package to employees. Remuneration packages are normally reviewed on an annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses. Share options may also be granted to eligible employees and persons of the Group. At 31 December 2015, there were no outstanding share options issued by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS ON THE TARGET GROUP FOR THE THREE YEARS ENDED 31 DECEMBER 2013, 2014 AND 2015 AND FOUR MONTHS ENDED 30 APRIL 2016

Set out below is the management discussion and analysis of the Target Group for the three years ended 31 December 2013, 2014 and 2015 and the four months ended 30 April 2016 (the "**Relevant Periods**") which is based on detailed financial information of the Target Group as set out in the accountants' report in Appendix II to this circular.

Business review

The Target Company is an investment holding company and the Target Group is principally engaged in the trading and sale of the child products, which are mainly feeding, health care, hygiene, safety and toy products for infants and babies. All the child products are sold to independent third parties, which are international household brands and major distributors of the Child Products.

Financial review

During the Relevant Periods, the revenue of the Target Group has declined from approximately HK$193.0 million for the year ended 31 December 2013 to HK$171.1 million for the year ended 31 December 2014. For the year ended 31 December 2015, the revenue of the Target Group further decreased by HK$12 million to approximately HK$159.1 million. The revenue for the four months ended 30 April 2016 was approximately HK$60.7 million. The decrease in revenue was mainly driven by slowing global economy and the intensifying competition. Despite sales decrease, the operating profit was increased from approximately HK$0.9 million for the year ended 31 December 2013 to HK$2.7 million for the year ended 31 December 2014, caused mainly by decrease in fixed overhead. However, due to reduction in sales, the operating profit for the year ended 31 December 2015 was decreased by HK$0.5 million to approximately HK$2.2 million. The operating profit for the four months ended 30 April 2016 was approximately HK$0.3 million.

Provision for income tax of approximately HK$0.1 million, HK$0.1 million, HK$0.4 million and HK$nil was made on the taxable profit of the Target Group for the years ended 31 December of 2013, 2014 and 2015 and for the four months ended 30 April 2016, respectively. Net profit after taxation for each of the Relevant Periods was approximately HK$0.8 million, HK$2.6 million, HK$1.8 million and HK$0.3 million, respectively.

Liquidity, financial resources and capital structure

As at 31 December of 2013, 2014 and 2015 and 30 April 2016, the Target Group had current assets of approximately HK$55.7 million, HK$51.9 million, HK$45.9 million and HK$43.4 million, respectively, which mainly comprised trade receivables, deposits and other receivables and cash and bank balances. As at the end of each of the Relevant Periods, the Target Group had current liabilities of approximately HK$28.8 million, HK$21.1 million, HK$17.4 million and HK$19.6 million, respectively, which mainly comprised interest-bearing bank borrowings and other payables and accruals. The Target Group's current ratio at the end of each of the Relevant Periods was approximately 193.4%, 246.0%, 263.8% and 221.4%, respectively.

The Target Group primarily finances its operation by operating cash flows and by bank loans. The total liabilities of the Target Group were maintained at the relatively stable level throughout the Relevant Periods. The Target Group adopts a prudent funding and treasury policy towards its overall business operation with an aim to minimize financial risks.

As at 31 December of 2013, 2014 and 2015 and 30 April 2016, the issued share capital of the Target Company was HK$7.8, represented one issued and fully paid ordinary shares of US$1 each. There was no material change in the capital structure of the Target Company during the Relevant Periods.

The Target Group monitors its capital structure using the gearing ratio, which is calculated as a percentage of its total borrowings to its total capital employed. As at 31 December of 2013, 2014 and 2015 and 30 April 2016, the gearing ratio was approximately 35.6%, 36.0%, 34.1% and 36.8%, respectively.

As at the end of each of the Relevant Periods, the maturity profile of the bank borrowings of the Target Group falling due within one year amounted to approximately HK$16.4 million, HK$18.0 million, HK$15.0 million and HK$14.2 million, respectively. There was no material effect of seasonality on the Target Group's borrowing requirements during the Relevant Periods.

Foreign exchange exposure

As majority of the transactions, recognised assets and liabilities of the Target Group were denominated in Hong Kong dollars and US dollars, there was no significant exposure to foreign currency exchange risks during the Relevant Periods, given that Hong Kong dollars was pegged against US dollars. The Target Group had not entered into any foreign currency exchange forward contracts for hedging purposes during the Relevant Periods.

Pledge of assets

As at 31 December of 2013, 2014 and 2015 and 30 April 2016, the Target Group did not have any assets pledged to secure banking facilities.

Contingent liabilities

As at the end of each of the Relevant Periods, the Target Group had contingent liabilities of nil, nil, HK$75 million and HK$75 million, respectively, in relation to banking facilities co-used with certain members of CCT Land Group of which HK$nil, HK$nil, HK$43.3 million and HK$45.2 million, respectively, were utilized at the end of each of the Relevant Periods.

Capital commitments

As at 31 December of 2013, 2014 and 2015 and 30 April 2016, the Target Group did not have any significant capital commitment.

Significant investment, material acquisition and disposal

As at the end of each of the Relevant Periods, the Target Group did not hold any significant investments or plan for material investments or capital assets in future period.

Employees and remuneration policies

The total number of employees of the Target Group as at 31 December 2013, 2014 and 2015 and 30 April 2016 were 7, 6, 6, and 6, respectively. The Target Group's remuneration policy is built on principle of equality, motivating, performance-oriented and market-competitive remuneration packages to employees. Remuneration packages are normally reviewed on annual basis. Apart from salary payments, other staff benefits include provident fund contributions, medical insurance coverage and performance related bonuses.

The following is the text of a report, prepared for the purpose of incorporation in this Circular, received from the Company's reporting accountants, Mark K. Lam & Co., Certified Public Accountants, Hong Kong.

27 September 2016

The Directors
CCT Fortis Holdings Limited ("**CCT Fortis**")
CCT Land Holdings Limited ("**CCT Land**")

Dear Sirs,

We set out below our report on the financial information including the consolidated statements of profit and loss and other comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows of Suremark Holdings Limited (the "**Target Company**") and its subsidiaries (hereinafter collectively referred to as the "**Target Group**") for each of the three years ended 31 December 2013, 2014 and 2015 and four months ended 30 April 2016 (the "**Relevant Periods**") and the consolidated statement of financial position as at 31 December 2013, 2014, 2015 and 30 April 2016 and the notes thereto (the "**Financial Information**"), for inclusion in the circular dated 27 September 2016 issued by each of CCT Fortis (the "**CCT Fortis Circular**") and CCT Land (the "**CCT Land Circular**") in connection with the proposed acquisition of the entire issued capital of the Target Company by CCT Fortis from CCT Tech Global Holdings Limited, a wholly-owned subsidiary of CCT Land (the "**Transaction**"), which constitute a major transaction for CCT Fortis and a discloseable and connected transaction for CCT Land under the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Target Company is a private limited company incorporated in the British Virgin Islands ("**BVI**") as a company with limited liability on 28 October 2009. The principal activity of the Target Company is investment holding and the details of the principal activities of the subsidiaries of the Target Company are set out below.

As at the date of this report, no statutory financial statements have been prepared for the Target Company, as it is not subject to statutory audit requirements under the relevant rules and regulations in its jurisdiction of incorporation.

At the date of this report, Target Company had direct interests in the following subsidiaries which are private companies, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and operations	Issued ordinary/ registered share capital		Percentage of equity attributable to the Target Company	Principal activities
		Number of shares	Amount		
Wiltec Industries (HK) Limited	BVI 17 March 1998 (registered on 15 September 1999 as an overseas company under Hong Kong Companies Ordinance)	2	US$2 Ordinary	100.00	Trading and sale of infant and child products
Wiltec Industrial Limited	Hong Kong 28 November 1996	20,002	HK$2,002 Ordinary	99.99	Trading and sale of infant and child products

For the purpose of this report, the directors of the Target Company have prepared the consolidated financial statements of Target Group for the Relevant Periods, in accordance with the Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") (the "**Underlying Financial Statements**"). The Underlying Financial Statements were audited by us in accordance with the Hong Kong Standards on Auditing issued by the HKICPA. We have also examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

The Financial Information of Target Company for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments are deemed necessary to the Underlying Financial Statements in preparing our report for inclusion in each of the CCT Fortis Circular and the CCT Land Circular.

The Underlying Financial Statements are the responsibility of the directors of Target Company who approved their issue. The directors of each of CCT Fortis and CCT Land are responsible for the contents of the CCT Fortis Circular and the CCT Land Circular, respectively in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information, and to report our opinion to you.

For the purpose of this report, we have carried out procedures on the Financial Information in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the financial position of Target Group as at 31 December 2013, 2014, 2015 and 30 April 2016 and of Target Group's consolidated results and cash flows for each of the Relevant Periods.

The comparative consolidated statements of profit or loss and other comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows of the Target Group for the four months ended 30 April 2015 together with the notes thereon have been extracted from the Target Group's unaudited financial information for the same period (the "**30 April 2015 Financial Information**") which was prepared by the directors of Target Group solely for the purpose of this report. We have reviewed the 30 April 2015 Financial Information in accordance with the Hong Kong Standard of Review Engagements 2410 "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA. Our review of the 30 April 2015 Financial Information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the 30 April 2015 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the 30 April 2015 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information in accordance with HKFRSs.

I. FINANCIAL INFORMATION

(a) Consolidated statements of profit or loss and other comprehensive income

	Notes	Year ended 31 December			Four months ended 30 April	
		2013	2014	2015	2015	2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
REVENUE	*6*	192,975	172,227	159,087	50,010	60,711
Cost of sales		(182,207)	(160,814)	(149,705)	(46,781)	(58,366)
Gross profit		10,768	11,413	9,382	3,229	2,345
Other income and gains		1,964	427	249	62	100
Selling and distribution expenses		(4,984)	(4,523)	(4,420)	(1,407)	(1,318)
Administrative expenses		(6,765)	(3,652)	(2,790)	(800)	(693)
Other expenses		—	(604)	—	—	—
Finance costs	*7*	(98)	(357)	(192)	(120)	(142)
PROFIT BEFORE TAX	*8*	885	2,704	2,229	964	292
Income tax expense	*9*	(73)	(122)	(449)	—	—
PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE YEAR/ PERIOD		812	2,582	1,780	964	292
Profit and total comprehensive income attributable to:						
Owner of the Target Company		812	2,582	1,780	964	292

(b) Consolidated statement of financial position

	Notes	As at 31 December 2013	2014	2015	As at 30 April 2016
		HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
NON-CURRENT ASSETS					
Property, plant and equipment	*12*	1,930	571	232	171
CURRENT ASSETS					
Trade receivables	*13*	38,727	28,498	29,278	31,606
Prepayment, deposits and other receivables	*14*	2,254	1,359	186	203
Due from related companies	*21(b)*	—	2,900	70	—
Cash and cash equivalents	*15*	14,683	19,193	16,331	11,593
Total current assets		55,664	51,950	45,865	43,402
Total assets		57,594	52,521	46,097	43,573
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	*19*	—	—	—	—
Reserve		28,815	31,397	28,677	23,969
Total equity		28,815	31,397	28,677	23,969
CURRENT LIABILITIES					
Trade payables	*16*	516	337	277	348
Tax payable		72	148	404	404
Other payables and accruals	*17*	10,841	2,655	1,716	4,646
Due to related companies	*21(b)*	878	—	—	—
Interest-bearing bank borrowings	*18*	16,472	17,984	15,023	14,206
Total current liabilities		28,779	21,124	17,420	19,604
Total equity and liabilities		57,594	52,521	46,097	43,573
Net current assets		26,885	30,826	28,445	23,798
Total assets less current liabilities		28,815	31,397	28,677	23,969

(c) Consolidated statements of changes in equity

	Issued capital *HK$'000*	Retained earnings *HK$'000*	Total *HK$'000*
At 1 January 2013	—	28,003	28,003
Profit and total comprehensive income for the year	—	812	812
At 31 December 2013 and 1 January 2014	—	28,815	28,815
Profit and total comprehensive income for the year	—	2,582	2,582
At 31 December 2014 and 1 January 2015	—	31,397	31,397
Profit and total comprehensive income for the year	—	1,780	1,780
Dividend *(note 10)*	—	(4,500)	(4,500)
At 31 December 2015 and 1 January 2016	—	28,677	28,677
Profit and total comprehensive income for the period	—	292	292
Dividend *(note 10)*	—	(5,000)	(5,000)
At 30 April 2016	—	23,969	23,969
At 31 December 2014 and 1 January 2015	—	31,397	31,397
Profit and total comprehensive income for the period (unaudited)	—	964	964
At 30 April 2015 (unaudited)	—	32,361	32,361

(d) Consolidated statements of cash flows

	Notes	Year ended 31 December 2013 HK$'000	2014 HK$'000	2015 HK$'000	Four months ended 30 April 2015 HK$'000 (unaudited)	2016 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES						
Profit before tax		885	2,704	2,229	964	292
Adjustments for:						
Finance costs	7	98	357	192	120	142
Interest income		(2)	(2)	(2)	—	—
Depreciation		1,049	755	339	132	61
(Gain)/loss on disposal of property, plant and equipment		(261)	604	—	—	—
		1,769	4,418	2,758	1,216	495
Decrease/(increase) in trade receivables		715	10,229	(780)	(930)	(2,328)
Decrease/(increase) in prepayment, deposits and other receivables		1,762	895	1,173	680	(17)
(Decrease)/increase in trade payables		(232)	(179)	(60)	188	71
Increase/(decrease) in other payables and accruals		1,956	(8,186)	(939)	(569)	(585)
Cash generated from/(used in) operations		5,970	7,177	2,152	585	(2,364)
Interest received		2	2	2	—	—
Interest paid		(98)	(357)	(192)	(120)	(142)
Hong Kong profits tax paid		—	(46)	(193)	—	—
Net cash flows generated from/ (used in) operating activities		5,874	6,776	1,769	465	(2,506)
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds from disposal of property, plant and equipment		1,910	—	—	—	—
Net cash flows generated from investing activities		1,910	—	—	—	—

	Notes	Year ended 31 December 2013 HK$'000	2014 HK$'000	2015 HK$'000	Four months ended 30 April 2015 HK$'000 (unaudited)	2016 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES						
New trust receipts loans		16,472	17,984	15,023	9,192	14,206
Repayment of bank loans and trust receipts loans		(1,919)	(16,472)	(17,984)	(17,984)	(15,023)
Dividend paid	*10*	—	—	(4,500)	—	(1,485)
(Advance to)/repayment from related companies		(25,806)	(3,778)	2,830	(2,333)	70
Net used in financing activities		(11,253)	(2,266)	(4,631)	(11,125)	(2,232)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(3,469)	4,510	(2,862)	(10,660)	(4,738)
Cash and cash equivalents at beginning of year/period	*15*	18,152	14,683	19,193	19,193	16,331
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD		14,683	19,193	16,331	8,533	11,593
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS						
Cash and bank balances	*15*	14,683	19,193	16,331	8,533	11,593

II. NOTES TO FINANCIAL INFORMATION

1. CORPORATE AND TARGET GROUP INFORMATION

The Target Company is a limited liability company incorporated in the BVI on 28 October 2009. The registered office and the principal place of business of the Target Company is located at P.O. Box 957, Offshore Incorporations Centre, Road Town, Tortola, BVI.

The Target Company is an investment holding company.

The Target Company is a wholly-owned subsidiary of CCT Tech Global Holdings Limited ("**CCT Global**"), a company incorporated in the British Virgin Islands with limited liability. In the opinion of the directors of the Target Company, the ultimate holding company of the Target Company is CCT Land Holdings Limited ("**CCT Land**"), a company incorporated in Bermuda with limited liability and listed on the Main Board of the Stock Exchange.

As at the date of this report, the Target Company had direct interests in its subsidiaries, which is a private limited liability company, the particulars of which are set out below:

Name	Place and date of incorporation/ registration and operations	Issued ordinary/ registered share capital		Percentage of equity attributable to the Target Company	Principal activities
		Number of shares	Amount		
Wiltec Industries (HK) Limited	BVI 17 March 1998 (registered on 15 September 1999 as an overseas company under Hong Kong Companies Ordinance)	2	US$2 Ordinary	100.00	Trading and sale of infant and child products
Wiltec Industrial Limited	Hong Kong 28 November 1996	20,002	HK$2,002 Ordinary	99.99	Trading and sale of infant and child products

Note: The statutory financial statements of the subsidiaries for the year ended 31 December 2013, 2014 and 2015 were audited by Mark K. Lam & Co., Certified Public Accountants.

2.1 BASIS OF PREPARATION

The Financial Information have been prepared in accordance with HKFRSs (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention. The Financial Information are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Target Company. Control is achieved when the Target Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Target Group the current ability to direct the relevant activities of the investee).

When the Target Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Target Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Target Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Target Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Target Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Target Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Target Group are eliminated in full on consolidation.

The Target Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Target Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Target Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Target Group had directly disposed of the related assets or liabilities.

2.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Target Group has not applied the following new and revised HKFRSs that have been issued but are not yet effective, in the Financial Information.

HKFRS 9	*Financial Instruments*[2]
Amendments to HKFRS 10 and HKAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[4]
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to HKFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
HKFRS 14	*Regulatory Deferral Accounts*[3]
HKFRS 15	*Revenue from Contracts with Customers*[2]
Amendments to HKAS 16 and HKAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to HKAS 16 and HKAS 41	*Agriculture: Bearer Plants*[1]
Amendments to HKAS 27 (2011)	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012–2014 Cycle	Amendments to a number of HKFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Target Group
4 No mandatory effective date is determined but is available for early adoption

Except as described below, the directors of the Target Company do not anticipate that the application of the new and revised HKFRSs will have material impact on the Financial Information.

HKFRS 9 *Financial instruments*

In September 2014, the HKICPA issued the final version of HKFRS 9, bringing together all phases of the financial instruments project to replace HKAS 39 and all previous versions of HKFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Target Group expects to adopt HKFRS 9 from 1 January 2018. The Target Group expects that the adoption of HKFRS 9 will have an impact on the classification and measurement of the Target Group's financial assets. Further information about the impact will be available nearer the implementation date of the standard.

Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)
Investment Entities: Applying the Consolidation Exception

Amendments to HKFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. The amendments to HKFRS 10 also clarify that only a subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. Consequential amendments were made to HKFRS 12 to require an investment entity that prepares financial statements in which all of its subsidiaries are measured at fair value through profit or loss in accordance with HKFRS 9 to present the disclosures in respect of investment entities in accordance with HKFRS 12. HKAS 28 (2011) was also amended to allow an investor that is not itself an investment entity, and has an interest in an investment entity associate or joint venture, to retain the fair value measurement applied by the investment entity associate or joint venture to the interests in its subsidiaries. The amendments are not expected to have any impact on the Target Group as the Target Company is not an investment entity as defined in HKFRS 10.

Amendments to HKAS16 and HKAS38
Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to HKAS 16 and HKAS 38 were issued in June 2014 and shall be applied to a financial period beginning on or after 1 January 2016. The amendments clarify the principle in HKAS 16 and HKAS 38 that revenue reflects a pattern of economic benefits that are generated from operating business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Target Group upon adoption on 1 January 2016 as the Target Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Impairment of non-financial assets

The Target Group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If such an indication exists, the Target Group makes an estimate of the asset's recoverable amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. A reversal of the impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. The reversal of the impairment loss is credited to profit or loss in the year in which it arises.

Property, plant and equipment and depreciation

Property, plant and equipment, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the year in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Target Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

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

Plant and machinery	10%
Moulds and equipment	20%
Furniture and office equipment	20%
Motor vehicles	20%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately.

Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Target Group is the lessor, assets leased by the Group under operating leases are included in non-current assets and rentals receivable under the operating leases are credited to the statement of profit or loss on the straight-line basis over the lease terms. Where the Target Group is the lessee, rentals payable under operating leases are charged to the statement of profit or loss on the straight-line basis over the lease terms.

Financial instruments

The Target Group classifies its financial instruments into the following categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. Purchases and sales of the financial assets are recognised using trade date accounting.

(a) Loans and receivables

Loans and receivables include cash and cash equivalents, trade receivables, prepayments, deposits and other receivables and amounts due from related companies.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest rate method, less impairment allowances.

The Target Group recognises losses for impaired loans promptly where there is objective evidence that impairment of a loan or a portfolio of loans has occurred. Impairment allowances are assessed either individually for individually significant loans or collectively for loan portfolios with similar credit risk characteristics including those individually assessed balances for which no impairment provision is made on an individual basis.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to profit or loss.

(b) Financial liabilities

The Target Group's financial liabilities include interest-bearing bank borrowings, trade payables, other payables and accruals and amounts due to related parties. Financial liabilities are recognised when the Target Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially recognised at fair value, net of transaction costs incurred and subsequently measured at amortised cost using the effective interest rate method. Financial liabilities are derecognised when the obligation specified in the contract is discharged or cancelled, or expires.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Target Group operates.

Deferred tax is provided using the liability method, on temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine the deferred tax.

Deferred tax liabilities are provided in full while deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Borrowing costs

Borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Other employee benefits

Pension schemes

The Target Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "**MPF Scheme**") under the Mandatory Provident Fund Schemes Ordinance, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Target Group in an independently administered fund. The Target Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Target Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Target Company's functional currency. Each entity in the Target Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Target Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

Cash and cash equivalents

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

For the purpose of the statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits with original maturity of three months or less, which are not restricted as to use.

Revenue recognition

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

(a) from the sale of goods, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Target Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold; and

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

Related parties

A party is considered to be related to the Target Group if:

(a) the party is a person or a close member of that person's family and that person

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

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

  (iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group;

or

(b) the party is an entity where any of the following conditions applies:

  (i) the entity and the Target Group are members of the same group;

  (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

  (iii) the entity and the Target Group are joint ventures of the same third party;

  (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

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

  (vi) the entity is controlled or jointly controlled by a person identified in (a);

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

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

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

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

Estimation uncertainty

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

Impairment of non-financial assets (other than goodwill)

The Target Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Where the actual outcome or expectation in future is different from the original estimate, such differences will impact on the carrying value of the asset and impairment losses/reversal of impairment losses in the period in which such estimates has been changed.

5. OPERATING SEGMENT INFORMATION

The Target Group has only one reportable operating segment which is trading and sale of child products.

No operating segments have been aggregated to form the above reportable operating segment.

Geographical information

(a) Revenue from external customers

	Year ended 31 December			Four months ended 30 April	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Europe	50,923	35,489	36,673	11,498	15,699
USA	124,831	116,526	106,461	35,667	38,553
Others	17,221	20,212	15,953	2,845	6,459
	192,975	172,227	159,087	50,010	60,711

(b) The Target Group's non-current assets are located in Hong Kong.

Information about major customers

For the year ended 31 December 2013, 2014, 2015 and four months period ended 30 April 2015 and 2016, revenue of approximately HK$105.8 million, HK$105.1 million, HK$93.2 million, HK$31.7 million and HK$35.4 million was derived from sales to one customer amounted to 10% or more of the Target Group's total revenue.

6. REVENUE

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts during the Relevant Periods.

An analysis of revenue is as follows:

	Year ended 31 December			Four months ended 30 April	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Sales of baby and infant products	192,531	171,109	158,621	49,853	60,698

7. FINANCE COSTS

An analysis of finance costs are as follows:

	Year ended 31 December			Four months ended 30 April	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest on bank loans	98	357	192	120	142

8. PROFIT BEFORE TAX

The Target Group's profit before tax is arrived at after charging:

	Year ended 31 December			Four months ended 30 April	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Cost of inventories sold	182,207	160,814	149,705	46,781	58,366
Depreciation	1,049	755	339	132	61
Minimum lease payments under operating lease	400	497	511	166	166
Auditors' remuneration	250	260	530	—	—
Directors' remuneration	2,100	300	350	—	—
Employee benefit expense					
Wages and salaries	3,014	2,051	2,094	698	698
Pension scheme contributions	149	103	128	43	43
	3,163	2,154	2,222	741	741

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the Relevant Period. Tax on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Target Group operates.

	Year ended 31 December			Four months ended 30 April	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Current — Hong Kong					
Charge for the year/period	73	148	469	—	—
Overprovision in prior years/ period	—	(26)	(20)	—	—
Total tax charge for the year/ period	73	122	449	—	—

A reconciliation of the tax expense applicable to profit before tax at the statutory rates to the tax expense at the effective tax rates is as follows:

	Year ended 31 December			Four months ended 30 April	
	2013	**2014**	**2015**	**2015**	**2016**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Profit before tax	885	2,704	2,229	964	292
Tax at the statutory tax rate	146	446	368	159	48
Income not subject to tax	(5)	(3)	—	—	—
Expenses not deductible for tax	—	—	—	—	5
Tax losses utilised from pervious periods	(410)	(517)	—	—	—
Adjustments in respect of current tax of previous period	—	(26)	(20)	—	—
Others	342	222	101	(159)	(53)
Tax charge at the Target Group's effective rate	73	122	449	—	—

10. DIVIDEND

During the year ended 31 December 2015 and four months period ended 30 April 2016, a dividend of HK$4.5 million per share and HK$5.0 million per share, equivalent to HK$4.5 million and HK$5.0 million in aggregate has been proposed by the directors of the Target Company and been approved by the shareholders.

11. EARNINGS PER SHARE ATTRIBUTABLE TO OWNER OF PARENT

Earnings per share information is not presented as its inclusion, for the purpose of this report, is not considered meaningful.

12. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery *HK$'000*	Moulds and equipment *HK$'000*	Furniture and office equipment *HK$'000*	Motor vehicles *HK$'000*	Total *HK$'000*
At 1 January 2013, net of accumulated depreciation	82	2,000	228	2,318	4,628
Disposal	—	—	—	(1,649)	(1,649)
Depreciation provided during the year	(10)	(538)	(98)	(403)	(1,049)
At 31 December 2013 and 1 January 2014, net of accumulated depreciation	72	1,462	130	266	1,930
Disposal	—	(604)	—	—	(604)
Depreciation provided during the year	(10)	(511)	(89)	(145)	(755)
At 31 December 2014 and 1 January 2015, net of accumulated depreciation	62	347	41	121	571
Depreciation provided during the year	(10)	(170)	(38)	(121)	(339)
At 31 December 2015 and 1 January 2016, net of accumulated depreciation	52	177	3	—	232
Depreciation provided during the period	(3)	(56)	(2)	—	(61)
At 30 April 2016, net of accumulated depreciation	49	121	1	—	171
At 31 December 2013:					
Cost	2,078	3,532	1,281	725	7,616
Accumulated depreciation	(2,006)	(2,070)	(1,151)	(459)	(5,686)
Net carrying amount	72	1,462	130	266	1,930
At 31 December 2014:					
Cost	2,078	1,935	1,281	725	6,019
Accumulated depreciation	(2,016)	(1,588)	(1,240)	(604)	(5,448)
Net carrying amount	62	347	41	121	571
At 31 December 2015:					
Cost	2,078	1,935	1,281	725	6,019
Accumulated depreciation	(2,026)	(1,758)	(1,278)	(725)	(5,787)
Net carrying amount	52	177	3	—	232
At 30 April 2016:					
Cost	2,078	1,935	1,281	725	6,019
Accumulated depreciation	(2,029)	(1,814)	(1,280)	(725)	(5,848)
Net carrying amount	49	121	1	—	171

13. TRADE RECEIVABLES

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade receivables	38,727	28,498	29,278	31,606

The Target Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally two months, extending up to three months for major customers. Each customer has a maximum credit limit.

The Target Group seeks to maintain strict control over its outstanding receivables and has a credit policy to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Target Group does not hold any collateral and other credit enhancements over its trade receivables balances. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the end of each of the Relevant Periods, based on the invoice date and net of provisions, is as follows:

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current to 30 days	17,198	14,415	9,681	19,197
31 to 60 days	12,821	12,175	10,301	9,892
61 to 90 days	8,473	1,430	8,847	2,517
Over 90 days	235	478	449	—
	38,727	28,498	29,278	31,606

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Neither past due nor impaired	30,689	26,787	20,365	30,704
Past due but not impaired	8,038	1,711	8,913	902
	38,727	28,498	29,278	31,606

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

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

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Prepayments	—	—	4	17
Deposits and other receivables	2,254	1,359	182	186
	2,254	1,359	186	203

The above balances as at 31 December 2013 and 2014 included deposits paid for acquisition of moulds amounting to HK$2.1 million and HK$1.2 million, respectively, in relation to the Target Group's trading of child products business.

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

15. CASH AND CASH EQUIVALENTS

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Cash and bank balances	14,683	19,193	16,331	11,593

Cash at banks earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default. The carrying amounts of the cash and cash equivalents approximate to their fair values.

16. TRADE PAYABLES

An aged analysis of the trade payables as at the end of each of the Relevant Periods, based on the invoice date, is as follows:

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Current to 30 days	172	81	33	132
31 to 60 days	74	70	35	8
61 to 90 days	84	—	1	—
Over 90 days	186	186	208	208
	516	337	277	348

17. OTHER PAYABLES AND ACCRUALS

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Other payables	9,652	1,951	977	3,993
Accruals	1,189	704	739	653
	10,841	2,655	1,716	4,646

Other payables are non-interest bearing and have an average term of three months.

18. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 31 December						As at	
	2013		2014		2015		30 April 2016	
	Maturity	*HK$'000*	*Maturity*	*HK$'000*	*Maturity*	*HK$'000*	*Maturity*	*HK$'000*
Current								
Bank loans — secured	2014	16,472	2015	17,984	2016	15,023	2017	14,206

The effective interest rates during the Relevant Periods are as follows:

	As at 31 December			As at 30 April
	2013	2014	2015	2016
Current				
Bank loans — secured	2.21%–2.28%	2.16%–2.17%	2.44%–2.59%	2.67%–2.68%

(a) As at 31 December 2013, all the Target Group's bank loans were secured by pledge of certain of the related company's investment properties and buildings situated in Mainland China, which had an aggregate carrying amount as at 31 December 2013 of approximately HK$446.5 million.

(b) As at 31 December 2014, all the Target Group's bank loans were secured by pledge of certain of the related company's investment properties situated in Mainland China, which had an aggregate carrying amount as at 31 December 2014 of approximately HK$519.7 million.

(c) As at 31 December 2015 and 30 April 2016, all the Target Group's bank loans were secured by the pledge of certain of the related company's time deposits amounting to HK$9.0 million and HK$9.0 million, respectively.

(d) All the Target Group's bank borrowings are denominated in US$.

19. SHARE CAPITAL

The movements of authorised and issued share capital of the Target Company during the Relevant Periods are as follows:

	Authorised	
	Number of shares	Amount HK$ equivalent
Ordinary shares of US$1 each		
At 31 December 2013, 2014, 2015 and 30 April 2016	50,000	390,000

	Issued and fully paid	
	Number of shares	Amount HK$ equivalent
Ordinary shares of US$1 each		
At 31 December 2013, 2014, 2015 and 30 April 2016	1	7.8

20. OPERATING LEASE ARRANGEMENTS

As lessee

At the end of the Relevant Periods, the Target Group had total future minimum lease payments under non-cancellable operating lease payables as follows:

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	533	488	497	497
In the second to fifth years, inclusive	488	—	414	248
	1,021	488	911	745

21. RELATED PARTIES BALANCES AND TRANSACTIONS

(a) Purchase of finished goods

	Year ended 31 December			Four months ended 30 April	
	2013	2014	2015	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Purchase of finished goods	180,475	159,482	148,502	46,236	58,354

(b) Due from/(to) related companies

The amounts due from/(to) related companies are unsecured, interest-free and have no fixed terms of repayment.

22. FINANCIAL INSTRUMENTS BY CATEGORY

All financial assets and liabilities of the Target Group as at the end of the Relevant Period are loans and receivables, and financial liabilities at amortised cost, respectively.

23. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts of the Target Group's financial instruments reasonably approximate to their fair values.

Management has assessed that the fair values of cash and cash equivalents, interest-bearing bank borrowings, trade receivables, trade payables, financial assets included in prepayments, deposits and other receivables and financial liabilities included in other payables and accruals approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

24. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Target Group's principal financial instruments comprise bank borrowings and cash and bank balances. The Target Group has various other financial assets and liabilities such as trade receivables and trade payables, which directly from its operations.

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

Interest rate risk

The Target Group's exposure to the risk of changes in market interest rate relates primarily to the Target Group's borrowings with floating interest rates. The Target Group has not used any interest rate swaps to hedge its exposure to interest rate risk, and will consider hedging significant interest rate risk should the need arise.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Target Group's profit before tax (through the impact on floating rate borrowings).

	Target Group	
	Increase/ (decrease) In basis points	**Increase/ (decrease) In profit before tax** *HK$'000*
2013		
US$	100	(165)
US$	(100)	165
2014		
US$	100	(180)
US$	(100)	180
2015		
US$	100	(150)
US$	(100)	150
2016		
US$	100	(142)
US$	(100)	142

Credit risk

The Target Group trades only with recognised and creditworthy third parties. It is the Target Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis.

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

Since the Target Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentration of credit risk is managed by counterparty.

There is no significant concentration of credit risk in relation to the Target Group's financial assets, other than trade receivables. Further quantitative data in respect of the Target Group's exposure to credit risk arising from trade receivables are disclosed in note 13 to the financial statements.

Liquidity risk

The Target Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations.

The Target Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans. In addition, banking facilities have been put in place for contingency purposes.

The table below summarises the maturity profile of the Target Group's financial liabilities based on contractual undiscounted payments.

	As at 31 December			As at 30 April
	2013	2014	2015	2016
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year or on demand				
Trade payables	516	337	277	348
Other payables and accruals	10,841	2,655	1,716	4,646
Interest-bearing bank borrowings	16,837	18,372	15,390	14,585
	28,194	21,364	17,383	19,579

Capital management

The Target Group manages its capital to ensure that entities in the Target Group will be able to continue as a going concern while maximising the return to its equity owners through the optimisation of the debt and equity balance.

The directors of the Target Group reviews the capital structure on a regular basis. As part of this review, the directors of the Target Group considers the cost of capital and the risks associated with each class of capital, and take appropriate actions to balance the overall capital structure of the Target Group.

III. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements have been prepared by the Target Group or any of its subsidiaries in respect of any period subsequent to 30 April 2016.

Yours faithfully,
Mark K. Lam & Co.
Certified Public Accountants
Hong Kong

This unaudited pro forma consolidated statement of financial position (the "**Unaudited Pro Forma Financial Information**") has been prepared for the purpose of providing shareholders of the Company with information about the impact of the Transactions by illustrating how the Transactions might have affected the financial position of the Group as at 31 December 2015, had the completion of the Transactions taken place on 31 December 2015.

The Unaudited Pro Forma Financial Information has been prepared based on a number of assumptions, estimates and uncertainties. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Enlarged Group that would have been attained had the Transaction been completed on 31 December 2015. Neither does the Unaudited Pro Forma Financial Information purports to predict the future financial position of the Enlarged Group.

This Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and because of its nature, it may not give a true picture of the financial position of the Enlarged Group following the completion of the Transaction.

HK$ million	**The Group as at 31 Dec 2015** *Note 1*	**The Target Group as at 30 Apr 2016** *Note 1*	**Pro forma adjustments** *Note 2(a)*	*Note 2(b)*	**Unaudited pro forma Enlarged Group**
ASSETS					
NON-CURRENT ASSETS					
Property, plant and equipment	454	—			454
Investment properties	978	—			978
Goodwill	17	—			17
Classic cars held for investment	57	—			57
Available-for-sale investments	14	—			14
Held-to-maturity debt securities	48	—			48
Deposits and other receivables	47	—			47
Deferred tax assets	21	—			21
Total non-current assets	1,636	—	—	—	1,636

HK$ million	The Group as at 31 Dec 2015 *Note 1*	The Target Group as at 30 Apr 2016 *Note 1*	Pro forma adjustments *Note 2(a)*	*Note 2(b)*	Unaudited pro forma Enlarged Group
CURRENT ASSETS					
Inventories	10	—			10
Stock of properties held for sale	361	—			361
Stock of classic cars held for sale	126	—			126
Trade receivables	32	31			63
Prepayments, deposits and other receivables	368	—			368
Financial assets as fair value through profit or loss	1,097	—			1,097
Due from CCT Land	—	—	24	(24)	—
Pledged time deposits	47	—			47
Cash and cash equivalents	355	12	(24)		343
Total current assets	2,396	43	—	(24)	2,415
Total assets	**4,032**	**43**	**—**	**(24)**	**4,051**
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Issued capital	83	—			83
Reserves	2,783	24		(24)	2,783
Total equity	2,866	24	—	(24)	2,866
Non-current liabilities					
Interest-bearing bank and other Borrowings	527	—			527
Deferred tax liabilities	38	—			38
Total non-current liabilities	565	—	—	—	565

HK$ million	The Group as at 31 Dec 2015 *Note 1*	The Target Group as at 30 Apr 2016 *Note 1*	Pro forma adjustments *Note 2(a)*	*Note 2(b)*	Unaudited pro forma Enlarged Group
Current liabilities					
Trade and bills payables	16				16
Tax payable	61				61
Other payables and accruals	81	5			86
Interest-bearing bank and other borrowings	443	14			457
Total current liabilities	601	19	—	—	620
Total liabilities	**1,166**	**19**	**—**	**—**	**1,185**
Total equity and liabilities	**4,032**	**43**	**—**	**(24)**	**4,051**
Net current assets	**1,795**	**24**	**—**	**(24)**	**1,795**
Total assets less current liabilities	**3,431**	**24**	**—**	**(24)**	**3,431**

Notes:

1. Basis of preparation

This Unaudited Pro Forma Financial Information has been prepared in accordance with Rule 4.29 of the Listing Rules and based upon: (i) the audited consolidated statement of financial position of the Group as of 31 December 2015, which has been extracted from the annual report of the Company for the year ended 31 December 2015 dated 29 March 2016; and (ii) the audited consolidated statement of financial position of the Target Group as at 30 April 2016, which has been extracted from the accountants' report on the Target Group included in Appendix II to this circular; and adjusted in accordance with the pro forma adjustments described in note 2 below, as if the Transaction had been completed on 31 December 2015.

This Unaudited Pro Forma Financial Information has been prepared in a manner consistent with both the format and accounting policies adopted by the Company in its unaudited consolidated financial statements for the year ended 31 December 2015.

2. Notes to the pro forma adjustments

(a) This adjustment represents the Loan made by the Company to CCT Land, during the four months ended 30 April 2016.

(b) This adjustment represents set-off of the Consideration against the amount due from CCT Land and the elimination of the share capital and pre-acquisition reserves of the Target Group.

The following is the text of a report, prepared for the sole purpose of incorporation in this circular and received from Mark K. Lam & Co., Certified Public Accountants, Hong Kong.

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

27 September 2016

The Board of Directors

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CCT Fortis Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purpose only. The pro forma financial information consists of the unaudited pro forma consolidated statement of financial position of the Group as at 31 December 2015 and the related notes set out in Appendix III to the circular dated 27 September 2016 (the "**Circular**") issued by the Company (the "**Unaudited Pro Forma Financial Information**") in connection with the proposed acquisition of the entire share capital of Suremark Holdings Limited (the "**Target Company**") and its subsidiaries (the "**Target Group**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in notes 1 and 2 in Appendix III to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Transaction on the Group's financial position as at 31 December 2015 as if the Transaction had taken place at 31 December 2015. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2015 as set out in the 2015 annual report of the Company dated 29 March 2016.

DIRECTORS' RESPONSIBILITY FOR THE PRO FORMA FINANCIAL INFORMATION

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 ("**AG**") Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

OUR INDEPENDENCE AND QUALITY CONTROL

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

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

REPORTING ACCOUNTANTS' RESPONSIBILITIES

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

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

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

The purpose of the Unaudited Pro Forma Financial Information included in the Circular is solely to illustrate the impact of the Transaction on unadjusted financial information of the Group as if 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 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 transaction, and to obtain sufficient appropriate evidence about whether:

(a) The related pro forma adjustments give appropriate effect to those criteria; and

(b) The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the 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:

(i) the Unaudited Pro Forma Financial Information has been properly complied on the basis stated;

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

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

Yours faithfully,
Mark K. Lam & Co.
Certified Public Accountants
Hong Kong

1. RESPONSIBILITY STATEMENT

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

2. DISCLOSURE OF INTERESTS

Directors' interests and short positions in the shares and the underlying shares of the Company and its associated corporations (if any)

As at the Latest Practicable Date, the Directors and chief executive of the Company and/or any of their respective associates had the following interests and short positions in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or which were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange:

Interests and short positions in the Shares and the underlying Shares as at the Latest Practicable Date

(i) Long positions in the Shares:

Name of the Directors	Number of the Shares interested and nature of interest		Total	Approximate percentage of the existing total issued share capital of the Company (%)
	Personal	Corporate		
Mr. Mak *(Note)*	11,369,652	446,025,079	457,394,731	52.10
Tam Ngai Hung, Terry	1,148,000	—	1,148,000	0.13
William Donald Putt	591,500	—	591,500	0.07

Note: Of the shareholding in which Mr. Mak was interested, an aggregate of 446,025,079 Shares were held by Capital Force, New Capital and Capital Winner, all of which are private corporations wholly-owned by Mr. Mak beneficially. Mr. Mak is deemed to be interested in 446,025,079 Shares under the SFO as he controls the exercise of all the voting power at general meetings of Capital Force, New Capital and Capital Winner.

(ii) Long positions in the underlying Shares of the convertible bonds issued by the Company:

Name of the Directors	Number of the underlying Shares interested and nature of interest		Total	Approximate percentage of the existing total issued share capital of the Company (%)
	Personal	Corporate		
Mr. Mak *(Note)*	—	297,857,142	297,857,142	33.93

Note: The interest disclosed represented 297,857,142 underlying Shares at the existing conversion price of HK$0.84 per conversion share (subject to adjustments pursuant to the terms and conditions of the convertible bonds) in respect of the convertible bonds (the "**2024 Convertible Bonds**") issued by the Company to Capital Force and New Capital pursuant to the terms and conditions of the conditional agreement dated 27 January 2016 (as amended by the supplemental agreement dated 17 February 2016) (the "**Sale and Purchase Agreement**") entered into between Mr. Mak as vendor and the Company as purchaser in respect of acquisition from Mr. Mak of the entire issued share capital of the companies which hold the properties at House 38 and House 39, No. 56 Repulse Bay Road, Repulse Bay, Hong Kong. Details of the transactions contemplated under the Sale and Purchase Agreement have been disclosed in the announcements of the Company dated 27 January 2016, 17 February 2016, 30 March 2016 and 31 May 2016 and the Company's circular dated 9 March 2016. Mr. Mak is deemed to be interested in such underlying Shares under the SFO as he controls the exercise of all the voting power at general meetings of Capital Force and New Capital.

Save as disclosed above, none of the Directors and chief executive of the Company and/or any of their respective associates had any interest and short position in the shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register of the Company referred to therein or were required, pursuant to Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to, or could be ascertained after reasonable enquiries by, the Directors, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Interests and short positions in the Shares and the underlying Shares as at the Latest Practicable Date:

(i) Long positions in the Shares:

Name of the Shareholders	**Number of the Shares held**	**Approximate percentage of the existing total issued share capital of the Company** (%)
Capital Force *(Note 1)*	96,868,792	11.03
New Capital *(Note 1)*	171,357,615	19.52
Capital Winner *(Note 1)*	177,798,672	20.25
Top Pride Limited *(Note 2)*	45,454,545	5.18
Lee Hung Shing *(Notes 2 & 3)*	85,454,545	9.73

Notes:

1. Capital Force, New Capital and Capital Winner are private corporations, the shares in which are wholly-owned by Mr. Mak beneficially, whose interest in such Shares has also been disclosed in Directors' interests of this section.

2. The interest disclosed represented 45,454,545 Shares held directly by Top Pride Limited, the entire shareholding of which is owned by Mr. Lee Hung Shing.

3. The interest disclosed represented 40,000,000 Shares held directly by Mr. Lee Hung Shing and 45,454,545 Shares held through his controlling company stated in Note 2 above.

(ii) Long positions in the underlying Shares of the convertible bonds issued by the Company:

(a) 2024 Convertible Bonds

Name of the Shareholders	Number of the underlying Shares held	Approximate percentage of the existing total issued share capital of the Company (%)
Capital Force *(Note)*	214,285,714	24.41
New Capital *(Note)*	83,571,428	9.52

Note: Capital Force and New Capital are private corporations, the shares in which are wholly-owned by Mr. Mak beneficially, whose interest in such underlying Shares has also been disclosed in Directors' interests of this section.

(b) 2018 Convertible Bonds

Name of the Shareholders	Number of the underlying Shares held	Approximate percentage of the existing total issued share capital of the Company (%)
Top Pride Limited *(Note)*	45,454,545	5.18
Lee Hung Shing *(Note)*	45,454,545	5.18

Note: The interest disclosed represented 45,454,545 underlying Shares at the lowest conversion price of HK$1.1 per conversion share (subject to adjustments pursuant to the terms and conditions of the convertible bonds) in respect of the convertible bonds (the "**2018 Convertible Bonds**") issued by the Company to Top Pride Limited pursuant to the terms and conditions of the agreement dated 30 May 2016 (the "**Subscription Agreement**") entered into between Top Pride Limited as subscriber and the Company as issuer in respect of subscription of the 2018 Convertible Bonds for cash. Details of the transactions contemplated under the Subscription Agreement have been disclosed in the announcements of the Company dated 30 May 2016 and 3 June 2016. Mr. Lee Hung Shing is deemed to be interested in such underlying Shares under the SFO as he controls the exercise of all the voting power at general meeting of Top Pride Limited.

Save for Mr. Mak who is a director and who is the beneficial owner of all the issued share capital of Capital Force, New Capital and Capital Winner, no other Director or proposed Director is a director or employee of the above substantial shareholders who has

an interests or short positions in the Shares and the underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above, so far as was known to the Directors, as at the Latest Practicable Date, there was no other person (other than the Directors or chief executive of the Company) who had any interests or short positions in the Shares and the underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Interests in contract or arrangement

As at the Latest Practicable Date, none of the Directors is materially interested in contract or arrangement subsisting and which is significant in relation to the business of the Enlarged Group.

Interests in assets

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2015, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Enlarged Group, or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group.

Service contracts

There is no existing or proposed service contract between any member of the Enlarged Group and any Director (excluding contracts expiring or determinable by the Enlarged Group within one year without payment of compensation (other than statutory compensation)).

Competing interests

Each of the Directors has confirmed that so far as they are aware of, none of the Directors or his/her respective close associates has any interest in a business, apart from the Enlarged Group's business, which competes or is likely to compete, either directly or indirectly, with the Enlarged Group's business.

3. LITIGATION

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

4. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion and advice which is contained in this circular:

Name	Qualification
Mark K. Lam & Co. ("**Mark Lam**")	Certified Public Accountants

Mark Lam has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter/report and reference to its name in the form and context in which they are included.

As at the Latest Practicable Date:

(i) Mark Lam did not have any shareholding, directly or indirectly, in the Company or any member of the Enlarged Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company or any member of the Enlarged Group.

(ii) Mark Lam did not have any direct or indirect interest in any asset which had been acquired, or disposed of by, or leased to the Company or any members of the Enlarged Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Enlarged Group since 31 December 2015, the date to which the latest published audited financial statements of the Group were made up.

5. MATERIAL ADVERSE CHANGE

The Directors have confirmed that there has been no material adverse change in the financial or trading position or prospects of the Group since 31 December 2015, being the date to which the latest published audited financial statements of the Group were made up, up to the Latest Practicable Date.

6. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) have been entered into by the Enlarged Group within the two years immediately preceding the Latest Practicable Date which are, or may be, material:

(i) the Agreement;

(ii) the Manufacturing Agreement (comprising the original Manufacturing Agreement dated 3 August 2016 and the Supplemental Manufacturing Agreements);

(iii) the Subscription Agreement;

(iv) the share purchase agreement dated 30 March 2016 entered into between Expert Success International Limited (an indirect wholly-owned subsidiary of the Company) as purchaser and an independent third party as vendor, in relation to the acquisition of the sale shares in AHM Engineering Company Limited ("**AHM**") (representing 70% of the total number of issued shares of AHM) at a total consideration of HK$61,540,000;

(v) the tenancy agreements dated 30 March 2016 entered into between each of Grand Capital Development Limited ("**Grand Capital**") and Billion Industries Limited ("**Billion Industries**") (both being indirect wholly-owned subsidiary of the Company pursuant to completion of the Sale and Purchase Agreement as described in paragraph (vi) below) and the Company in relation to lease of residential properties held by each of Grand Capital and Billion Industries to Mr. Mak at the transaction caps of HK$6,000,000 and HK$7,000,000 respectively for the two years ended 31 December 2016 and 2017;

(vi) the Sale and Purchase Agreement;

(vii) the agreement dated 26 January 2016 entered into among Glory Merit International Investment Limited ("**Glory Merit**"), the Company and Jade Assets Company Limited ("**Jade Assets**", an indirect wholly-owned subsidiary of the Company) in relation to (a) consent given by the Company and Jade Assets to Glory Merit to place 10,000,000,000 CCT Land Shares at HK$0.035 per share, and (b) the arrangement for Glory Merit to repay the HK$300,000,000 debt due by Glory Merit to the Company and Jade Assets;

(viii) the provisional sale and purchase agreement dated 20 January 2016 entered into between Billion Spread Limited (an indirect wholly-owned subsidiary of the Company) as purchaser and an independent third party as the vendor, in relation to the acquisition of a property at Units 1 to 15 and the Flat Roofs Appurtenant Thereto (inclusive) on the 3rd Floor, and Parking Spaces Nos. 20 and L20 on the 1st Floor of Paramount Building, No. 12 Ka Yip Street, Chai Wan, Hong Kong at the purchase price of HK$110,000,000;

(ix) the manufacturing agreement dated 9 November 2015 entered into between the Company and CCT Land governing the terms and conditions for the manufacture and supply of (a) the plastic casings and components and any other component products (the "**Component Products**") and (b) the dies, casts, moulds and any other relevant toolings required to manufacture the Component Products by the Group to the group of CCT Land for the production of products at the transaction caps of HK$135 million, HK$160 million and HK$200 million for the three financial year ending 31 December 2016, 2017 and 2018;

(x) the agreement dated 27 October 2015 and the supplemental agreement dated 10 November 2015 entered into by and among Jade Assets, CCT Telecom Securities Limited ("**CCT Securities**", an indirect wholly-owned subsidiary of the Company), the Company, Glory Merit and CCT Land in respect of (a) the subscription of convertible bonds of CCT Land by CCT Securities in the aggregate principal amount

of HK$795,671,000 at the total issue price of HK$795,671,000 as full settlement of the outstanding principal and accrued interest (if any) of the promissory note due by CCT Land to Jade Assets at that time; and (b) the subscription of convertible bonds by Glory Merit in the aggregate principal amount of HK$300,000,000 at the total issue price of HK$300,000,000 as full settlement of all the outstanding principal and accrued interest of the promissory notes due by CCT Land to Glory Merit at that time, and the issue and allotment of a maximum of 109,567,100,000 news CCT Land Shares upon full conversion of the convertible bonds at the initial conversion price of HK$0.01 per conversion share (subject to adjustments pursuant to the terms and conditions of the convertible bonds);

(xi) the sale and purchase agreement dated 25 September 2015 entered into amongst Jade Assets as first vendor, the Company as second vendor and Glory Merit as the purchaser in relation to the disposal of the promissory notes with the total principal amount of HK$300,000,000 then due by CCT Land to Jade Assets and the Company to Glory Merit, at a total consideration of HK$300,000,000;

(xii) the placing agreement dated 21 July 2015 entered into between Jade Assets as the vendor and Kingsway Financial Services Group Limited (the "**Placing Agent**") in respect of the placing through the Placing Agent to independent third parties of up to 3,500,000,000 CCT Land Shares held by Jade Assets at a price of HK$0.028 each for total placing proceeds of HK$98,000,000;

(xiii) the deed of charge over shares and the guarantee dated 28 May 2015 entered into by CCT Land as chargor and CCT Global as guarantor, in favour of Jade Assets as first chargee and the Company as second chargee in respect of (a) the charge of 28,000,000 issued ordinary shares with no par value of CCT Global made by CCT Land to Jade Assets and the Company; and (b) the guarantee given by CCT Global to Jade Assets and the Company as security for payment, performance and discharge of all the undertakings, obligations and liabilities of CCT Land under the promissory notes previously issued by CCT Land to the Company and the corporate guarantees of amount of HK$145,550,000 provided by the Company and its subsidiaries to CCT Land;

(xiv) the placing agreement dated 5 December 2014 entered into between Jade Assets as the vendor and the Placing Agent in respect of the placing through the Placing Agent to independent third parties of up to 6,500,000,000 CCT Land Shares held by Jade Assets at a price of HK$0.015 each for total placing proceeds of HK$97,500,000;

(xv) the placing agreement dated 12 November 2014 entered into between Capital Force as the vendor and the Placing Agent in respect of the placing through the Placing Agent to independent third parties of up to 75,000,000 placing shares held by Capital Force in the Company at a price of HK$0.90 each for total placing proceeds of HK$67,500,000 and the subscription agreement dated 12 November 2014 entered into between Capital Force as the subscriber and the Company as the issuer in

respect of the subscription of new Shares by Capital Force for up to 75,000,000 shares at the subscription price of HK$0.90 each for total subscription consideration of HK$67,500,000; and

(xvi) the provisional sale and purchase agreement dated 28 August 2014 entered into between Dragon Glory Limited (an indirect wholly-owned subsidiary of the Company) as purchaser and an independent third party as the vendor, in relation to the acquisition of a property at Workshop 10 on 2nd Floor, Workshop 11 on 2nd Floor, Workshop 12 on 2nd Floor including the flat roof adjacent thereto, and Workshop 13 on 2nd Floor, MP Industrial Centre, 18 Ka Yip Street, Hong Kong at the purchase price of HK$47,414,400.

7. MISCELLANEOUS

(a) The registered office of the Company is located at Canon's Court, 22 Victoria Street, Hamilton HM 12, Bermuda and the head office and the principal place of business of the Company in Hong Kong is located at 31/F., Fortis Tower, 77–79 Gloucester Road, Hong Kong.

(b) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(c) The company secretary of the Company is Mr. Tam Ngai Hung, Terry, who is a fellow of the Association of Chartered Certified Accountants and an associate of both the Hong Kong Institute of Certified Public Accountants and the Institute of Chartered Secretaries and Administrators.

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the head office and the principal place of business of the Company in Hong Kong at 31/F., Fortis Tower, 77–79 Gloucester Road, Hong Kong during normal business hours (from 9:00 a.m. to 5:00 p.m.) on any business day from the date of this circular up to 14 days thereafter:

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

(b) the letter from the Board to the Shareholders, the text of which is set out on pages 7 to 18 of this circular;

(c) the written consent from Mark Lam referred to in the section headed "Qualification and consent of Expert" in the appendix;

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

(e) the unaudited pro forma financial information of the Enlarged Group and the comfort letter from Mark Lam on pro forma financial information, the text of which is set out in Appendix III to this circular;

(f) the annual reports of the Company which included the audited consolidated accounts of the Group for the two financial years ended 31 December 2015;

(g) the material contracts of the Enlarged Group referred to under section headed "Material Contracts" in this appendix;

(h) the circular of the Company dated 9 March 2016;

(i) the Agreement; and

(j) this circular.