THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

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 stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **ABC Communications (Holdings) Limited**, you should at once hand this circular with the accompanying form of proxy to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

ABC 佳訊

ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

(1) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANIES, (2) PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE, (3) PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ISSUE SHARES, (4) PROPOSED CHANGE OF COMPANY NAME AND (5) NOTICE OF SPECIAL GENERAL MEETING

Financial Adviser and Placing Agent

ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED
卓亞(企業融資)有限公司

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Donvex 富域資本
Donvex Capital Limited
富域資本有限公司

A letter from the Board is set out on pages 8 to 40 of this circular. A letter from the Independent Board Committee is set out on pages 41 to 42 of this circular. A letter from the Independent Financial Adviser is set out on pages 43 to 51 of this circular.

A notice convening the SGM of the Company to be held at Basement 2 (B2), The Wharney Guang Dong Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong, on Wednesday, 12 August 2015 at 10:00 a.m. is set out on pages SGM-1 to SGM-5 of this circular. If you are not able to attend such meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of such meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjourned meeting should you so desire.

20 July 2015

CONTENTS

In this circular (other than in the notice of the SGM), the following expressions have the meanings respectively set opposite them unless the context otherwise requires:

"Accountants' Reports"	the audited accountants' reports on each of the Target Companies for the period from their respective dates of incorporation to 31 March 2015, which are set out in appendix II to this Circular
"Acquired Interest"	the entire issued share capital and all shareholder's loan of each of the Target Companies as at Completion, which are proposed to be acquired by the Company from the Vendor pursuant to the Proposed Acquisition as contemplated under the Acquisition Agreement
"Acquisition Agreement"	a sale and purchase agreement entered into between the Purchaser, the Vendor and the Target Companies on 24 April 2015 in relation to the Proposed Acquisition
"associate(s)"	having the meaning ascribed thereto under the Listing Rules
"Board"	board of directors of the Company
"business day"	a day on which banks in Hong Kong are open for business, other than a Saturday or a Sunday, or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon
"Bye-laws"	the bye-laws of the Company
"Companies Act"	the Companies Act 1981 of Bermuda
"Company"	ABC Communications (Holdings) Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange with stock code 30
"Completion"	completion of the Acquisition Agreement
"connected person(s)"	having the meaning ascribed thereto under the Listing Rules

"controlling shareholder(s)"	having the meaning ascribed thereto under the Listing Rules
"Conversion Period"	the period commencing on the date of issue of the Convertible Bonds and ending on the Maturity Date
"Conversion Price"	HK$0.1875 per Conversion Share, subject to adjustments and the terms and conditions of the Convertible Bonds
"Conversion Share(s)"	the new Share(s) to be allotted and issued upon conversion of the Convertible Bonds
"Convertible Bonds"	the 2% coupon convertible bonds proposed to be issued by the Company and placed under the Placing, in the aggregate principal amount of up to HK$150,000,000 due on the Maturity Date and carrying the right to convert the whole or part of the principal amount into Conversion Shares at the initial Conversion Price of HK$0.1875 per Conversion Share
"Director(s)"	director(s) of the Company
"Enlarged Group"	the Group as enlarged by the Target Companies after the Proposed Acquisition
"Existing General Mandate"	the general mandate granted at the Last AGM to the Directors by the Shareholders to allot, issue and deal with up to 331,069,440 Shares
"Formal Sale and Purchase Agreements"	the formal sale and purchase agreements all dated 11 May 2015 in relation to the sale and purchase of the Target Properties between the Target Companies and the Original Vendor, details of which are more particularly set out in the section headed "Information on the Target Companies and the Target Properties" in the Letter from the Board contained in this circular
"Group"	the Company and its Subsidiaries from time to time
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China

"Independent Board Committee"	the independent board committee consisting of all the independent non-executive Directors established by the Board to advise the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate to issue Shares
"Independent Financial Adviser" or "Donvex"	Donvex Capital Limited, a company licensed to carry on type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate to issue Shares
"Independent Shareholders"	any Shareholders other than controlling shareholders of the Company and their associates or, where there are no controlling shareholders, any Shareholders other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
"Independent Third Party(ies)"	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected persons
"Last AGM"	the last annual general meeting of the Company which was held on 30 September 2014
"Latest Practicable Date"	17 July 2015, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Long Stop Date"	1 September 2015 or other date which is mutually extended or altered by parties to the Acquisition Agreement

"Maturity Date"	two years from the date of issue of Convertible Bonds or if such date is not a business day, the next business day
"New General Mandate"	the new general mandate proposed to sought at the SGM to authorise the Directors to allot, issues and deal with shares not exceeding 20% of the aggregate nominate amount of the issued share capital of the Company as at the date of the SGM
"Original Vendor"	Excess Gain Company Limited, a company incorporated in Hong Kong with limited liability
"Placees"	any independent individual, professional or institutional investors whom the Placing Agent and/or any of its sub-placing agent(s) has procured to subscribe for any of the Convertible Bonds under the Placing
"Placing"	the proposed placing of the Convertible Bonds pursuant to the Placing Agreement
"Placing Agent"	Asian Capital (Corporate Finance) Limited, a company licensed to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO
"Placing Agreement"	the placing agreement dated 24 April 2015 (supplemented by a supplemental placing agreement dated 15 July 2015) entered into between the Company and the Placing Agent in respect of the Placing
"Proposed Acquisition"	the proposed acquisition of the Acquired Interest by the Purchaser from the Vendor pursuant to the Acquisition Agreement
"Provisional Agreements"	the provisional agreements in relation to the sale and purchase of the Target Properties entered into between the Target Companies and the Original Vendor in March 2015, details of which are more particularly set out in the section headed "Information on the Target Companies and the Target Properties" in the Letter from the Board contained in this circular

"Purchaser"	Ban Loong Property Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"SGM"	the special general meeting of the Company to be convened on Wednesday, 12 August 2015 to consider and, if thought fit, approve the resolutions in respect of (a) the Acquisition Agreement and the transactions contemplated thereunder; (b) the Placing Agreement and the transaction contemplated thereunder, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate; (c) the proposed refreshment of the Existing General Mandate; and (d) the proposed change of name of the Company
"SGM Notice"	the notice of the SGM set out on pages SGM-1 to SGM-5 of this circular
"Share(s)"	share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Specific Mandate"	the specific mandate to be sought from Shareholders at the SGM to authorize the directors to issue the Convertible Bonds and to allot and issue the Conversion Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary"	having the meaning ascribed thereto under Rule 1.01 of the Listing Rules
"substantial shareholder(s)"	having the meaning ascribed thereto under the Listing Rules
"Takeover Codes"	The Hong Kong Code on Takeovers and Mergers

"Target Companies"	collectively, Target Company A, Target Company B, Target Company C, Target Company D, Target Company E, Target Company F and Target Company G, details of which are more particularly set out in the section headed "Information on the Target Companies and the Target Properties" in the Letter from the Board contained in this circular
"Target Company A"	Summit Pacific Group Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Company B"	Urban Stone Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Company C"	Spring Hero Developments Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Company D"	Sharp Pick Ventures Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Company E"	Viva Star International Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Company F"	Main Trillion Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Company G"	Cozy Sky Limited, a company incorporated in the British Virgin Islands with limited liability
"Target Properties"	collectively, Target Property A, Target Property B, Target Property C, Target Property D, Target Property E, Target Property F and Target Property G, details of which are more particularly set out in the section headed "Information on the Target Companies and the Target Properties" in the Letter from the Board contained in this circular
"Target Property A"	the whole of 12th Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company A under the Provisional Agreements

"Target Property B"	the whole of 13th Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company B under the Provisional Agreements
"Target Property C"	the whole of 15th Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company C under the Provisional Agreements
"Target Property D"	the whole of 16th Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company D under the Provisional Agreements
"Target Property E"	the whole of 21st Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company E under the Provisional Agreements
"Target Property F"	the whole of 22nd Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company F under the Provisional Agreements
"Target Property G"	the whole of 23rd Floor of Henan Building, a property which is held by the Original Vendor as at the Latest Practicable Date but was agreed to be purchased by Target Company G under the Provisional Agreements
"Vendor"	Mr. Chiu Ngai Hung, an Independent Third Party, the sole shareholder of the Target companies and the vendor in the Acquisition Agreement
"%"	per cent

ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)
(Stock Code: 30)

Executive Directors:
Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing
Mr. Xu Jian Zhong

Non-Executive Director:
Mr. Fong For

Independent Non-Executive Directors:
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

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

Principal Place of Business in Hong Kong:
Room 2709-10, 27/F
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

20 July 2015

To the Shareholders

Dear Sirs

(1) MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANIES, (2) PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE, (3) PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ISSUE SHARES, (4) PROPOSED CHANGE OF COMPANY NAME AND (5) NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

On 24 April 2015, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Target Companies entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire the Acquired Interest from the Vendor for a total cash consideration of HK$297,193,940. According to the information provided by the Vendor, the Target Companies entered into the Provisional Agreements and the Formal Sale and Purchase Agreements with the Original Vendor in March and May 2015 respectively, whereby the Target Companies agreed to acquire from the Original Vendor seven whole floors of Henan Building, Nos. 90 & 92 Jaffe Road or Nos. 15-19 Luard Road, Wanchai, Hong Kong with gross floor area of approximately 22,322 square feet in aggregate.

The relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Acquisition are more than 25% but less than 100%. Accordingly, the Proposed Acquisition constitutes a major acquisition for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

On 24 April 2015, the Company also entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to act as a placing agent, on a best effort basis, to place the Convertible Bonds with a principal amount of up to HK$150,000,000. The Convertible Bonds proposed to be issued by the Company and placed under the Placing carry 2% coupon rate, are due on the Maturity Date and carry the right to convert the whole or part of the principal amount into Conversion Shares at the initial Conversion Price of HK$0.1875 per Conversion Share. The Convertible Bonds will be issued under the Specific Mandate which is subject to Shareholders' approval at the SGM.

On 26 May 2015, the Company announced that it proposed to (a) change its English name from "**ABC Communications (Holdings) Limited**" to "**Ban Loong Holdings Limited**" and adopt "**萬隆集團有限公司**" as its Chinese secondary name, and (b) to refresh the Existing General Mandate to issue Shares. The proposed change of company name is subject to the approval by the Shareholders by way of special resolutions at the SGM. The proposed refreshment of the Existing General Mandate to issue Shares is subject to the approval by the Independent Shareholders at the SGM.

The SGM will be held for the Shareholders to consider and, if thought fit, approve the resolutions in respect of (a) the Acquisition Agreement and the transactions contemplated thereunder; (b) the Placing Agreement and the transaction contemplated thereunder, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate; (c) the proposed refreshment of the Existing General Mandate to issue Shares; and (d) the proposed change of name of the Company.

This circular includes information required by the Listing Rules to be given to the Shareholders containing, amongst other things, (i) further details of the Proposed Acquisition; (ii) financial information on the Target Companies; (iii) the valuation report relating to the Target Properties; (iv) details of the Placing Agreement, the Convertible Bonds and the Specific Mandate; (v) the proposed change of name of the Company; (vi) the proposed refreshment of the Existing General Mandate to issue Shares; (viii) the letter of recommendation from the Independent Board Committee; (ix) the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders; (x) a notice of the SGM; and (xi) other information as required under the Listing Rules in relation to the SGM of the Company to be held on Wednesday, 12 August 2015 and the resolutions to be considered thereat.

2. THE ACQUISITION AGREEMENT

On 24 April 2015, the Purchaser (a wholly-owned subsidiary of the Company), the Vendor and the Target Companies entered into the Acquisition Agreement pursuant to which the Purchaser conditionally agreed to acquire the Acquired Interest from the Vendor for a total cash consideration of HK$297,193,940. According to the information provided by the Vendor, the Target Companies entered into the Provisional Agreements and the Formal Sale and Purchase Agreements with the Original Vendor in March and May 2015 respectively, whereby the Target Companies agreed to acquire from the Original Vendor seven whole floors of Henan Building, Nos. 90 & 92 Jaffe Road or Nos. 15-19 Luard Road, Wanchai, Hong Kong with a gross floor area of approximately 22,322 square feet in aggregate.

Details of the Acquisition Agreement are summarized as follow:

2.1 Date

24 April 2015

2.2 Parties

(1) The Purchaser (a wholly owned subsidiary of the Company);

(2) The Vendor; and

(3) The Target Companies.

Based on the information provided by the Vendor, prior to the entering into of the Acquisition Agreement, the entire issued share capital of each of the Target Companies is owned by the Vendor. To the best knowledge, information and belief of the Directors after making all reasonable enquiries, the Vendor is an Independent Third Party, and none of the Vendor nor any of his associates holds any Shares as at the Latest Practicable Date.

2.3 Subject matter

Pursuant to the Acquisition Agreement, the Purchaser conditionally agreed to acquire the Acquired Interest (i.e. the entire issued share capital and all shareholder's loan as at Completion of each of the Target Companies) from the Vendor.

The Acquired Interest will be acquired by, and assigned to, the Purchaser free of any options, charge, liens, encumbrances, pre-emptive rights and other third party rights and together with all rights (save as any dividend declared and already paid to the Vendor before the date of the Acquisition Agreement) attaching thereto as at the date of the Acquisition Agreement or thereafter.

Further details of the Target Companies and the Target Properties, and the financial information relating to the Target Companies, are set out in the section headed "Information on the Target Companies and the Target Properties" in the Letter from the Board contained in this circular.

Upon Completion, the Target Companies will all become wholly owned subsidiaries of the Company.

2.4 Consideration

The total consideration payable by the Purchaser to the Vendor for the Proposed Acquisition amounts to HK$297,193,940, which will be payable in cash by the following two installments:

(a) A refundable deposit of HK$29,719,394 (the "**Deposit**") was payable to the Vendor upon signing of the Acquisition Agreement; and

(b) The remainder of the consideration in the amount of HK$267,474,546 (the "**Balance Consideration**") shall be payable to the Vendor (or as the Vendor shall direct in accordance with the terms of the Acquisition Agreement) on Completion.

Further details of the Original Vendor and the Provisional Agreements are set out in the section headed "Information on the Target Companies and the Target Properties" in the Letter from the Board contained in this circular.

2.5 Other material terms

Under the terms of the Acquisition Agreement:

(a) If the Acquisition Agreement does not proceed to Completion or is terminated by the Purchaser for any reason (including without limitation, in the event that the Purchaser is not satisfied with the due diligence results or the ordinary resolution(s) in respect of the Acquisition Agreement and the transactions contemplated thereunder is not approved by the Shareholders at the SGM), then the Vendor shall forthwith refund any deposits or payments made by the Purchaser without interest and all obligations of the Purchaser to make further payments shall cease and terminate.

(b) To secure the refund of the Deposit, the Vendor has executed share charges in respect of all the issued shares of each of the Target Companies in favour of the Purchaser.

(c) The Vendor is entitled to terminate the Acquisition Agreement if the Purchaser breaches its payment obligations in respect of the consideration thereunder. Apart from that, the Vendor is not otherwise entitled to terminate the Acquisition Agreement in any event.

(d) Completion of the Proposed Acquisition is subject to (i) the production of a valuation report by a valuer appointed by the Company showing that the fair value of the Target Properties is not less than HK$297,193,940 in aggregate; and (ii) the Vendor's warranty that the Target Companies have not incurred any liabilities since their respective dates of incorporation save for and except the shareholder's loans which are to be assigned by the Vendor to the Purchaser on Completion. If the fair value determined by the valuer is less than HK$297,193,940 in aggregate, or if the Purchaser discovers that any of the Target Companies has incurred any liability apart from the shareholder's loans, then the Vendor shall agree to adjust the consideration for the Proposed Acquisition to cater for the deficit in value of the assets to be acquired by the Purchaser through the Proposed Acquisition and both parties shall proceed to negotiate for an adjustment of the consideration for the Proposed Acquisition. If no agreement is reached between the parties within 14 days, unless otherwise agreed by the parties, the Acquisition Agreement shall be terminated absolutely, and the Vendor shall forthwith refund all deposits and part payments made by the Purchaser without interest, and no party shall have any claim against the other in relation to the Acquisition Agreement.

(e) On Completion, if any of the Provisional Agreements has not been completed yet, then the Vendor shall provide written payment instructions to the Purchaser such that the Balance Consideration is directly applied to meet the Target Companies' outstanding payment obligations owed to the Original Vendor under the Provisional Agreements.

2.6 Basis of the consideration

The aggregate consideration for the Proposed Acquisition is arrived at after arm's length negotiations between the Purchaser and the Vendor, taking into account (a) the assessment on the market value of the Target Properties by reference to the selling prices of commercial building units in the neighboring area; and (b) the fact that Completion is subject to the production of a valuation report showing that the fair value of the Target Properties is not less than HK$297,193,940 in aggregate.

2.7 Conditions precedent

Completion of the Acquisition Agreement is conditional upon, amongst other things:

(a) due diligence review on the Target Companies and the Target Properties having been completed to the absolute satisfaction of the Purchaser and the Company;

(b) obtaining of satisfactory legal opinion confirming, inter alia, the good and marketable title of the Target Properties, the ownership of the Target Companies, and the legality and enforceability of the Provisional Agreements;

(c) the Vendor having settled or arranged for full settlement of all taxes and stamp duties resulted from the property transactions contemplated under the Provisional Agreements;

(d) all filings necessitated by the signing and performance of the Acquisition Agreement having been carried out and all applicable laws and regulations having been fully complied with;

(e) (if applicable) the parties having obtained the required approvals, confirmations, waivers or consents in respect of the Acquisition Agreement and the transactions contemplated thereunder from all third parties or authorities;

(f) no events having occurred between signing of the Acquisition Agreement and Completion which may result in any material adverse effect on the Target Companies or the Target Properties;

(g) the warranties given by the Vendor in respect of the Target Companies and the Target Properties being true, accurate and not misleading as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion;

(h) the obtaining of a valuation report (in form and substance satisfactory to the Purchaser and the Company) from a valuer appointed by the Company and showing that the fair value of the Target Properties is not less than HK$297,193,940 in aggregate;

(i) the Target Companies having incurred no liabilities since their dates of incorporation save for and except the shareholders' loans which are to be assigned by the Vendor to the Purchaser on Completion;

(j) the approval by the Shareholders of the Acquisition Agreement and the transactions contemplated thereunder at the SGM subject to and in accordance with the requirements under the Listing Rules; and

(k) the Company having sufficient working capital to finance the payment of cash consideration under the Acquisition Agreement.

All the conditions precedent above (save for and except those set out in paragraph (j) above) can be waived at the absolute discretion of the Purchaser.

The Long Stop Date for the fulfillment or waiver of the conditions precedent above is 1 September 2015. The Long Stop Date may be mutually extended or altered by the parties to the Acquisition Agreement. Completion shall take place not later than 21 days after the last condition precedent is fulfilled or waived (or such later date and time as the parties may agree in writing). If any of the conditions precedent are not fulfilled or waived on or before the Long Stop Date (unless extended by both parties), the Acquisition Agreement shall terminate, the Vendor shall forthwith refund all deposits and part payments made by the Purchaser without interest, and no party shall have any claim in relation to the Acquisition Agreement (without prejudice to the rights of any party in respect of antecedent breaches).

As of the Latest Practicable Date, conditions precedent (a), (b), (c) and (h) as set out above have already been satisfied. The Company does not currently expect to waive any other conditions precedent which will materially prejudice the Purchaser in terms of its economic rights or risks exposure, as compared with those rights already pertained to the Purchaser and risks being safeguarded against, under the original provisions of the Acquisition Agreement.

2.8 Information on the Target Companies and the Target Properties

Each of the Target Companies is a company incorporated in the British Virgin Islands with limited liability. According to the information provided by the Vendor, the Target Companies entered into Provisional Agreements and Formal Sale and Purchase Agreements with the Original Vendor in March 2015 and May 2015 respectively, whereby the Target Companies agreed to acquire from the Original Vendor seven whole floors of Henan Building, Nos. 90 & 92 Jaffe Road or Nos. 15-19 Luard Road, Wanchai, Hong Kong (the "**Target Properties**"), as summarized as follows:

Names of Target Companies		Location of Target Properties agreed to be acquired	Dates of Provisional Agreements	Date of Formal Sale and Purchase Agreements	Completion dates of the Formal Sale and Purchase Agreements	Consideration
A	Summit Pacific Group Limited	The whole of 12th Floor (Units 1201 & 1202)	31 March 2015	11 May 2015	on or before 31 December 2015	HK$39,513,106
B	Urban Stone Limited	The whole of 13th Floor (Units 1301 & 1302)	31 March 2015	11 May 2015	on or before 31 December 2015	HK$39,582,150
C	Spring Hero Developments Limited	The whole of 15th Floor (Units 1501 & 1502)	27 March 2015	11 May 2015	on or before 30 October 2015	HK$40,143,569
D	Sharp Pick Ventures Limited	The whole of 16th Floor	27 March 2015	11 May 2015	on or before 30 October 2015	HK$40,085,674
E	Viva Star International Limited	The whole of 21st Floor	27 March 2015	11 May 2015	on or before 30 October 2015	HK$39,658,882
F	Main Trillion Limited	The whole of 22nd Floor	20 March 2015	11 May 2015	on or before 30 October 2015	HK$31,245,500
G	Cozy Sky Limited	The whole of 23rd Floor	20 March 2015	11 May 2015	on or before 30 October 2015	HK$31,616,000
Total:						HK$261,844,881

Based on the information provided by the Vendor, the Original Vendor, Excess Gain Company Limited, is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of another listed company in Hong Kong. To the best knowledge of the Directors after having made all reasonable enquiries, each of the Original Vendor and its listed holding company is an Independent Third Party.

Henan Building is a 23-storey commercial building and was completed in 1985. Based on the information provided by the Vendor, the Target Properties comprise seven whole floors of Henan Building, with a total gross floor area of approximately 22,322 square feet and a total saleable area of approximately 15,627 square feet.

Under the Provisional Agreements and the Formal Sale and Purchase Agreements, the Target Properties will be assigned to the Target Companies on an "as-is" basis with the benefit of vacant possession for the vacant portions and subject to existing tenancies for the leased portions.

Based on the information provided by the Vendor, (a) as of 31 March 2015, all the seven floors of the Target Properties are subject to existing tenancy agreements; (b) during the month ended 31 March 2015, the gross rental income of the Target Properties in aggregate was HK$474,450; (c) amongst all the tenancy agreements relating to the Target Properties, two of them (in respect of Unit 1302 and the whole of 16th Floor) lapsed in April 2015, one of them (in respect of Unit 1202) lapsed in May 2015, and two of them (in respect of Unit 1502 and the whole of 22nd Floor) will lapse in August 2015; and (d) it was the Vendor's understanding that if any units or floors are surrendered by tenants upon termination of tenancy without any extension or renewal, the landlord will seek replacement tenants for such units or floors.

Pursuant to Provisional Agreements and the Formal Sale and Purchase Agreements, the total purchase price for the Target Properties payable by the Target Companies to the Original Vendor is HK$261,844,881 in aggregate. The initial deposits of HK$13,092,241 in aggregate (the "**Initial Deposits**") were paid by the Target Companies upon signing of the Provisional Agreements, the second deposits of HK$13,092,241 in aggregate (the "**Second Deposits**") were paid before 9 April 2015. Further to the Initial Deposits and the Second Deposits, pursuant to the Formal Sale and Purchase Agreements, the Target Companies have paid further deposit of HK$13,092,241 in aggregate (the "**Third Deposits**") on 19 June 2015 to the Original Vendor.

Set out below the payment schedule as set out in the Formal Sale and Purchase Agreements:

	Initial Deposits paid upon signing the Provisional Agreements *(HK$)*	The Second Deposits paid before 9 April 2015 *(HK$)*	The Third Deposits paid on 19 June 2015 *(HK$)*	Balance of the consideration to be paid by the Target Companies to the Original Vendor *(HK$)*	Total *(HK$)*
Target Property A	1,975,655	1,975,655	1,975,655	33,586,141	39,513,106
Target Property B	1,979,107	1,979,107	1,979,107	33,644,829	39,582,150
Target Property C	2,007,180	2,007,180	2,007,180	34,122,029	40,143,569
Target Property D	2,004,280	2,004,280	2,004,280	34,072,834	40,085,674
Target Property E	1,982,944	1,982,944	1,982,944	33,710,050	39,658,882
Target Property F	1,562,275	1,562,275	1,562,275	26,558,675	31,245,500
Target Property G	1,580,800	1,580,800	1,580,800	26,873,600	31,616,000
Total:	13,092,241	13,092,241	13,092,241	222,568,158	261,844,881

Pursuant to the Formal Sale and Purchase Agreements, the completion date of the relevant Formal Sale and Purchase Agreements in respect of Target Properties C, D, E, F and G shall be on or before 30 October 2015, and the completion date of the relevant Formal Sale and Purchase Agreements in respect of Target Properties A and B shall be on or before 31 December 2015. On or before the respective completion dates of the Formal Sale and Purchase Agreements, the Vendor shall pay the Original Vendor the remaining balance of the purchaser price in the aggregate amount of HK$222,568,158.

As set out in the paragraphs headed "2.5 Other material terms" above, to secure the refund of the Deposit in the event the Acquisition Agreement does not proceed to Completion and is terminated, the Vendor has executed share charges in respect of all the issued shares of each of the Target Companies in favour of the Purchaser. In addition, the Directors are of the view that it is in the best interests of the Company and the Shareholder to take over the conduct of the Target Companies/Vendor complete the acquisition of the Target Properties as early as possible. Therefore as provided in the Acquisition Agreement, on Completion, if any of the Formal Sale and Purchase Agreements has not been completed, the Vendor shall provide written payment instructions to the Purchaser such that the Balance Consideration is directly applied to meet the Target Companies' outstanding payment obligations owed to the Original Vendor under the Formal Sale and Purchase Agreements.

Based on the Formal Sale and Purchase Agreements, should the Vendor fail (other than due to the Default of the Original Vendor) to complete the purchase of the Target Properties, the Original Vendor may terminate the Formal Sale and Purchase Agreements, and the Original Vendor shall be entitled to (i) forfeit to the extent of 10% of the purchase prices absolutely; and (ii) retain the balance of deposits paid to the Original Vendor as security for the payment of compensation of any loss or damage suffered by the Original Vendor arising from such default until such compensation has been assessed.

According to the Accountants' Reports (as set out in Appendix II to this circular) and the unaudited management accounts of the Target Companies from their respective dates of incorporation up to 31 May 2015 provided by the Vendor, each of the Target Companies had no revenue nor net income before and after tax from their respective dates of incorporation up to 31 March 2015 and 31 May 2015 respectively.

Set out below are the statements of financial positions of the Target Companies extracted from the Accountants' Reports (as set out in Appendix II to this circular) and the unaudited management accounts of the Target Companies from their respective dates of incorporation up to 31 May 2015 provided by the Vendor.

	As at 31 March 2015			**As at 31 May 2015**		
Target Companies	**Total assets**	**Total liabilities**	**Net assets**	**Total assets**	**Total liabilities**	**Net assets**
	(HK$' million) (audited)	*(HK$' million)* (audited)	*(HK$' million)* (audited)	*(HK$' million)* (unaudited)	*(HK$' million)* (unaudited)	*(HK$' million)* (unaudited)
A	1.98	1.59	0.39	7.31	6.92	0.39
B	1.98	1.59	0.39	7.32	6.93	0.39
C	2.01	1.62	0.39	7.43	7.04	0.39
D	2.01	1.62	0.39	7.42	7.03	0.39
E	1.99	1.60	0.39	7.34	6.95	0.39
F	1.56	1.17	0.39	5.78	5.39	0.39
G	1.58	1.19	0.39	5.85	5.46	0.39
	13.11	10.38	2.73	48.45	45.72	2.73

As set out in table above, based on the Accountants' Reports, the total assets of the Target Companies as at 31 March 2015 were approximately HK$13.11 million in aggregate, which represented the Initial Deposits paid by the Target Companies to the Original Vendor for the acquisition of the Target Properties. The total liabilities of the Target Companies as at 31 March 2015 in the amount of approximately HK$10.38 million in aggregate were the amount due to the Vendor, the shareholder of the Target Companies, for the payment of the Initial Deposits.

As at 31 May 2015, the transactions contemplated thereunder the Provisional Agreements or the Formal Sale and Purchase Agreements have yet been completed since the Third Deposits and the balance of the consideration has yet come due as disclosed in the payment schedule in this circular. Therefore, the legal titles of the Target Properties have not been transferred to the Target Companies as at 31 May 2015.

According to the unaudited management accounts of the Target Companies provided by the Vendor, the total assets of the Target Companies in aggregate as at 31 May 2015 were approximately HK$48.45 million, which represented the Initial Deposits, the Second Deposits and the stamp duties, and paid before 31 May 2015. The total liabilities of the Target Companies of approximately HK$45.72 million in aggregate as at 31 May 2015 were the shareholder's loan provided by the Vendor for the payment of the Initial Deposits, the Second Deposits, the Third Deposits and the stamp duties.

According to the valuation report on the Target Properties prepared by the independent valuer, Roma Appraisal Limited, as set out in Appendix V to this circular, the aggregate fair value of the Target Properties was HK$300,000,000 as at 30 April 2015.

As set out in the Accountants' Reports annexed as Appendix II to this circular, the Directors noted that the reporting accountants of the Company provided a disclaimer opinion on each of the accountants' reports of the Target Companies for the period from the Target Companies' respective dates of incorporation up to 31 March 2015. The Directors understand that the disclaimer opinion was provided because that the reporting accountants of the Company were unable to obtain sufficient appropriate audit evidence from the Target Companies to ascertain whether the Target Companies had sufficient funding for completion of the Provisional Agreements, therefore the reporting accountants could not ascertain if there was any objective evidence of impairment over the Initial Deposits paid by the Target Companies and hence the Target Companies' ability to act as a going concern.

As set out in paragraphs headed "2.8 Information on the Target Companies and the Target Properties" above, further to the entering into of the Provisional Agreements and paying the Initial Deposits, the Vendor has entered into the Formal Sale and Purchase Agreements with the Original Vendor and the Target Companies has paid the Second Deposits and the Third Deposits. Further, on Completion, if any of the Formal Sale and Purchase Agreements has not been completed, the Company intends to apply the Balance Consideration to directly meet the Target Companies' outstanding payment obligations owed to the Original Vendor. Therefore, the Directors consider that the disclaimer opinion contained in the Accountants' Reports shall not affect the Proposed Acquisition and the Proposed Acquisition is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2.9 Reasons for the Proposed Acquisition

The Company has been consistently reviewing its existing business portfolio and business strategies, and at the same time exploring possibilities broadening its source of income and alleviating reliance on any single line of business should any investment or acquisition opportunity arises.

As announced by the Company on 4 June 2015, the Company disposed of 18% interest in a company which is principally engaged in production and trade of refined deible vegetable oil in the PRC. In addition, in June 2015, a wholly-owned subsidiary of the Company has obtained a money lender license for money-lending business. At present, the Company is conducting a review on its encryption technology development business which might involve a possible scaling-down and/or sell-down and/or the introduction of new investors and/or new project partners in light of its uncertain market prospect. Except for the aforesaid and the Proposed Acquisition, as at the Latest Practicable Date, the Board has not considered any other proposals, and the Company intends to continue the existing businesses of the Group, namely (i) financial quotation and securities trading system licensing segment; (ii) mining operation segment; and (iii) encryption technology and products segment.

In line with the Company's diversification strategies, the Directors consider that the Proposed Acquisition represents a good investment opportunity for the Group, and the tenancy agreements entered into or to be entered into in respect of the Target Properties are expected to generate stable rental income for the Group.

The total consideration for the Target Properties is HK$297,193,940, representing approximately HK$13,314 per square feet based on gross floor area or approximately HK$19,018 per square feet based on saleable floor area. The consideration for the Proposed Acquisition is arrived at after arm's length negotiations between the Purchaser and the Vendor, taking into account (a) an assessment on the market value of the Target Properties by reference to the selling prices of commercial building units in the neighboring area; and (b) the fact that Completion of the Proposed Acquisition is subject to the production of a valuation report showing that the fair value of the Target Properties is not less than HK$297,193,940 in aggregate.

Payment of the consideration for the Proposed Acquisition will be funded from internal financial resources of the Group and external financing to be obtained by the Group. As set out in section headed "3. THE PLACING AGREEMENT" below, the Company entered into the Placing Agreement with the Placing Agent to place the Convertible Bonds with a principal amount of up to HK$150,000,000. The Company also intends to apply a mortgage loan from a Hong Kong bank for the financing of the Proposed Acquisition.

After considering the above factors, the Directors (including the independent non-executive Directors) are of the view that the entering into of the Acquisition Agreement and the terms and conditions of the Proposed Acquisition (including the consideration and payment terms) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2.10 Financial Effects of the Proposed Acquisition

Assets

The audited consolidated total assets of the Group as at 31 March 2015 were approximately HK$605.32 million. The unaudited pro forma consolidated total assets of the Enlarged Group (as set out in Appendix III to this circular), assuming the Acquisition had been completed on 31 March 2015, would be increased to approximately HK$872.79 million.

Liabilities

The audited consolidated total liabilities of the Group as at 31 March 2015 were approximately HK$182.10 million. The unaudited pro forma consolidated total liabilities of the Enlarged Group (as set out in Appendix III to this circular), assuming the Acquisition had been completed on 31 March 2015, would be increased to approximately HK$449.58 million.

Net asset value

The Proposed Acquisition has no financial effects to the net asset value of the Group.

Earnings

Upon Completion, earnings of the Group will increase by the amount of rental income generated from the Target Properties less operating expenses.

3. THE PLACING AGREEMENT

On 24 April 2015, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent conditionally agreed to act as the placing agent, on a best effort basis, to place the Convertible Bonds with a principal amount of up to HK$150,000,000.

Details of the Placing Agreement, the Placing and the Convertible Bonds are summarized as follow:

3.1 Date

24 April 2015

3.2 Parties

(1) The Company (as the issuer); and

(2) The Placing Agent (as the placing agent).

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

3.3 Placing of the Convertible Bonds

The Placing Agent has conditionally agreed to procure Placees for the subscription of the Convertible Bonds on a best effort basis.

3.4 The Placees

The Placing Agent shall use all reasonable endeavours to ensure that the Convertible Bonds are placed to not less than six Placees (being independent individual, professional or institutional investors) who and whose ultimate beneficial owners are Independent Third Parties.

3.5 Placing Commission

The Company shall pay to the Placing Agent a fee equal to 2.5% of the aggregate principal amount of the Convertible Bonds placed by the Placing Agent to the Placees. The commission rate was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to market rates.

3.6 Principal terms of the Convertible Bonds

Issuer	:	The Company
Total principal amount	:	Up to HK$150,000,000
Interest	:	2% per annum on the outstanding principal amount thereof, which will be payable by the Company yearly in arrears. The first payment will be made on the first anniversary date of the date of issue of the Convertible Bonds.
Maturity Date	:	2 years from the date of issue of Convertible Bonds or if such date is not a business day, the next business day.

Conversion Period	:	The period commencing on the date of issue of the Convertible Bonds and ending on the Maturity Date.
Conversion Rights	:	Holders of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at the initial Conversion Price of HK$0.1875 per Conversion Share (subject to adjustment) at any time during the Conversion Period provided that the conversion of the Convertible Bonds (i) does not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bonds which exercised the conversion rights, represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; and (ii) does not reduce the public float of the Shares to less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares.
Conversion Shares	:	Assuming the Convertible Bonds are fully placed and the conversion rights attached to the Convertible Bonds are exercised in full at the initial Conversion Price of HK$0.1875 per Conversion Share, 800,000,000 Conversion Shares will be allotted and issued by the Company, representing approximately 40.27% of the entire issued share capital of the Company as at the Latest Practicable Date and approximately 28.71% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.
Conversion Price	:	HK$0.1875 per Conversion Share (subject to adjustments upon occurrence of certain "Adjustment Events" as described below). The Conversion Price represents: (i) a discount of approximately 25% to the closing price of HK$0.25 per Share as quoted on the Stock Exchange on 22 April 2015 (i.e. the last trading day preceding the date of this Placing Agreement);

(ii) a premium of approximately 0.48% over the average closing price of HK$0.1866 per Share as quoted on the Stock Exchange for the last five trading days up to and including 22 April 2015;

(iii) a premium of approximately 9.97% over the average closing price of HK$0.1705 per Share as quoted on the Stock Exchange for the last ten trading days up to and including 22 April 2015;

(iv) a premium of 37.16% over the average closing price of HK$0.1367 per Share as quoted on the Stock Exchange for the last 60 trading days up to and including 22 April 2015;

(v) a premium of 36.76% over the average closing price of HK$0.1371 per Share as quoted on the Stock Exchange for the last 180 trading days up to and including 22 April 2015;

(vi) a premium of approximately 25.50% over the unaudited net assets value attributable to the Shareholders of approximately HK$0.1494 per Share as at 31 March 2015, based on the audited net assets value attributable to the Shareholders of approximately HK$296.79 million and 1,986,415,200 Shares in issue at 31 March 2015; and

(vii) a discount of approximately 35.34% to the closing price of HK$0.29 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

Early Redemption	:	The Convertible Bonds may not be repaid or redeemed by the holders of the Convertible Bonds before the Maturity Date, but may be early redeemed by the Company by serving a 14-day prior notice of redemption to the holders of the Convertible Bonds, during the period commencing on the date of issue of the Convertible Bonds and ending on the Maturity Date, at the redemption price of 101% of the outstanding principal amount plus interest accrued. Once the Company has served a redemption notice to redeem any part of the Convertible Bonds, the holders of the Convertible Bonds can no longer exercise the Conversion Rights in respect of that part of the Convertible Bonds.
Adjustments Events	:	The Conversion Price will be subject to adjustments upon the occurrence of the following events:

(i) an alteration of the nominal amount of the Shares by reason of any consolidation or sub-division;

(ii) an issue (other than in lieu of a declared cash dividend) by the Company of Shares credited as fully paid by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve);

(iii) a capital distribution being made by the Company;

(iv) an offer or grant being made by the Company to the Shareholders by way of rights or options or warrants to subscribe for new Shares at a price which is less than 80% of the market price of the Shares;

(v) an issue of Shares or options, warrants or other rights to subscribe for or purchase Shares being made wholly for cash at a price less than 80% of the market price of the Shares;

(vi) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for new Shares, if the total effective consideration per new Share initially receivable for such securities is less than 80% of the market price of the Shares, or the conversion, exchange or subscription rights of any such issue are altered so that the said total effective consideration is less than 80% of the market price of the Shares;

(vii) when the Company offers any securities in connection with which offer holders of at least 80% of the Shares outstanding are entitled to participate in arrangements whereby such securities may be acquired by them; and

(viii) if the Company determines that an adjustment should be made to the Conversion Price as a result of events or circumstances not referred to above and acting reasonably, request the auditors to determine what adjustment (if any) to the Conversion Price is fair and reasonable.

Transferability : The Convertible Bonds are freely transferable by the Placees in multiples of units of principal amount of the Convertible Bonds of HK$1,500,000, provided that no Convertible Bonds may be transferred to any connected persons of the Company without the prior written consent of the Company.

Voting : Holders of the Convertible Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of its being a holder of the Convertible Bonds.

Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds.

Ranking of the Conversion Shares	:	The Conversion Shares will, when issued, rank pari passu in all respects among themselves and with other Shares in issue on the conversion date of the Convertible Bonds.
Events of default	:	For so long as any Convertible Bond remains outstanding, if any of the following events ("**Events of Default**") occurs, unless prior written consent is obtained from a holder or a group of holders of Convertible Bonds passing a resolution by a majority of not less than 50% of the votes cast at a bondholders' meeting (the "**Majority Bondholders**"), the Majority Bondholders will be entitled to give a notice in writing to the Company that the Convertible Bonds held by all holders are immediately due and payable at its principal amount then outstanding together with any accrued and unpaid interest under the terms and conditions of the Convertible Bonds calculated up to and excluding the date of payment:

(i) there is a failure by the Company to pay the principal or premium of or any interest on the Convertible Bonds when due and such failure continues for a period of seven days; or

(ii) the Company does not perform or comply with any one or more of its other obligations under the Convertible Bonds which default is incapable of remedy, or is not remedied within 30 days after notice requiring the same to be remedied is served by the Majority Bondholders on the Company; or

(iii) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a material part of the property, assets or revenues of the Company and is not discharged or stayed within 45 days (or such longer period as the Majority Bondholders may consider appropriate); or

(iv) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or a material part of the assets or undertaking of the Company and is not discharged within 45 days of taking such possession or, as the case may be, appointment; or

(v) the Company is insolvent or bankrupt or unable to pay its debts as and when they fall due or the Company proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Company; or

(vi) an order is made or an effective resolution passed for winding-up or dissolution of the Company, or the Company ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation; or

(vii) proceedings are initiated against the Company under any applicable bankruptcy or insolvency law and such proceedings are not discharged or stayed within a period of 45 days; or

(viii) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (iii) to (vii) above.

3.7 Conditions of the Placing

Completion of the Placing of the Convertible Bonds is conditional upon the fulfillment of the following conditions:

(a) the passing of a resolution at the SGM by Shareholders to approve the Placing Agreement and the transaction contemplated thereunder, the grant of the Specific Mandate to issue the Convertible Bonds and to issue and allot the Conversion Shares upon the exercise of the Conversion Rights attached to the Convertible Bonds;

(b) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Conversion Shares which fall to be issued upon conversion of the Convertible Bonds (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent); and

(c) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the date of completion of the Placing.

Pursuant to the supplemental placing agreement to the Placing Agreement entered into by the Company and the Placing Agent on 15 July 2015 which was announced by the Company on the same day, if the conditions precedent in respect of the Placing are not fulfilled (or waived in respect of conditions (c) above) on or before 4:00 p.m. (Hong Kong time) on the date falling on the 30th day after obtaining the Shareholders' approval for the relevant resolutions in relation to the Placing Agreement and the transaction contemplated thereunder at the SGM ("**Long Stop Date for Placing**"), the Placing Agreement shall thereupon lapse and become null and void and all rights, obligations and liabilities of the parties in respect of the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing, save for any liability arising out of any antecedent breaches.

3.8 Completion of the Placing

Completion of the Placing shall take place not later than 4:00 p.m. on the second business day after the Long Stop Date for Placing.

3.9 Termination

If at any time on or prior to 12:00 noon on the date of completion of the Placing:

(i) there shall have been, since the date of the Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Placing; or

(ii) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the date of completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Placing Agreement; or

(iii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise;

then and in any such case, the Placing Agent may after consultation with the Company (to the extent that the same is reasonably practicable) terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the date of completion of the Placing.

In the event the Placing Agent terminates the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

3.10 Specific Mandate

The Convertible Bonds will be issued under the Specific Mandate which is subject to Shareholders' approval at the SGM.

3.11 Effects on Shareholding Structure of the Company

Assuming (a) there is no change in the issued share capital of the Company from the Latest Practicable Date and up to the date of full conversion of the Convertible Bonds at the initial Conversion Price (other than as a result of the allotment and issue of the Conversion Shares); and (b) all of the HK$150,000,000 Convertible Bonds (carrying the rights for such principal sum to be converted into up to 800,000,000 Conversion Shares at the initial Conversion Price of HK$0.1875 per Share) are placed in full, the shareholding structures of the Company (i) as at the Latest Practicable Date; (ii) immediately after the allotment and issue of the

Conversion Shares (iii) upon full utilization of the New General Mandate; and (iv) immediately after the allotment and issue of the Conversion Shares and upon full utilization of the New General Mandate are summarized as follows:

	As at the Latest Practicable Date		Immediately upon full conversion of the Convertible Bonds		Upon full utilization of the New General Mandate		Immediately upon full conversation of the Convertible Bonds and upon full utilization of the New General Mandate	
	No. of Shares	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*	*No. of Shares*	*%*
Mr. Fong For	331,068,000	16.67%	331,068,000	11.88%	331,068,000	13.89%	331,068,000	10.40%
Mr. Chow Wang	64,964,000	3.27%	64,964,000	2.33%	64,964,000	2.73%	64,964,000	2.04%
Public shareholders	1,590,383,200	80.06%	1,590,383,200	57.08%	1,590,383,200	66.72%	1,590,383,200	49.95%
The Placees	–	–	800,000,000	28.71%	–	–	800,000,000	25.13%
Shares available to be issued under the New General Mandate	–	–	–	–	397,283,040	16.67%	397,283,040	12.48%
Total	1,986,415,200	100.00%	2,786,415,200	100.00%	2,383,698,240	100%	3,183,698,240	100%

Notes:

1. Mr. Fong For is a Non-executive Director.

2. Mr. Chow Wang is an Executive Director.

3.12 Reasons for the Placing and Use of Proceeds

As set out in section headed "2. THE ACQUISITION AGREEMENT" above, the Company (through its wholly-owned subsidiary) entered into the Acquisition Agreement with the Vendor in relation to the Proposed Acquisition. If the Proposed Acquisition proceeds to completion, the total cash consideration payable by the Group would be HK$297,193,940.

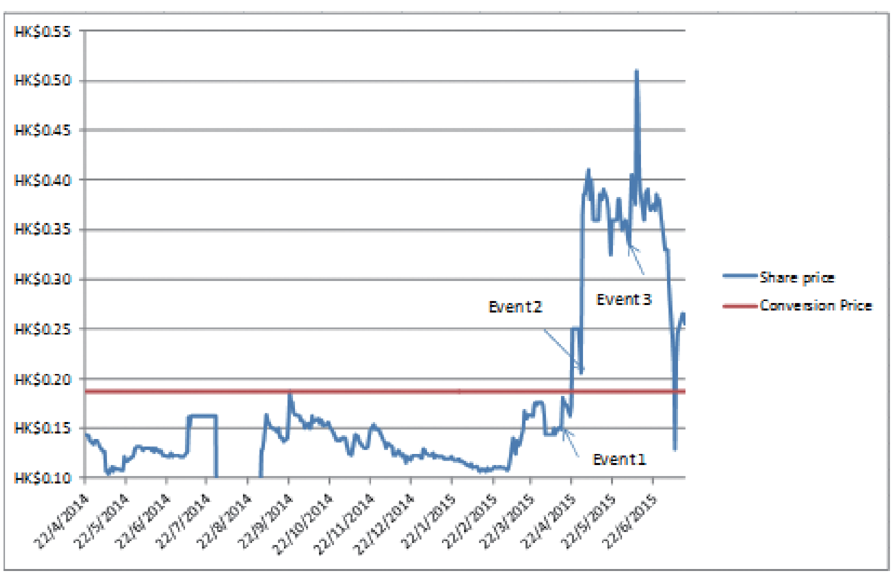
The gross and net proceeds from the Placing are estimated to be HK$150,000,000 and HK$145,250,000, respectively. On such basis, the net price to the Company of each Conversion Share is approximately HK$0.1816. It is intended that such net proceeds will be wholly used for the funding the Proposed Acquisition. In the event that the Proposed Acquisition will not proceed to completion whilst the Placing proceeds to completion, the Company intends to use the proceeds from the Placing for the Group's money lending business.

The Directors had considered various ways of raising funds in the capital market and approached financial institutions as to the possibility of fund raising by way of rights issue or open offer. However, the Company was unable to secure any underwriting agreement with any those financial institutions. The Company had also considered debt financing and approached banks in Hong Kong to seek if the banks could provide any mortgage loan or other facilities to the Group. The Company understands that it is a market practice to obtain around 40% mortgage loan against the appraised value of the relevant properties. Therefore, the Company entered into of the Placing Agreement with the Placing Agent although the Convertible Bonds may cause certain dilution impact to the existing Shareholders.

The Directors consider that the Placing is an appropriate means of raising additional capital for the Company in the circumstances, because (i) the Placing does not give rise to any immediate dilution effect on the shareholding of the existing Shareholders; and (ii) if the conversion rights attaching to the Convertible Bonds are exercised, the shareholder base of the Company can be enlarged and the asset base of the Group will be improved.

The initial Conversion Price of HK$0.1875 was determined after arm's negotiations between the Company and the Placing Agent with reference to: (i) the then prevailing market price of the Shares when entering into of the Placing Agreement; and (ii) the unaudited net assets value attributable to the Shareholders of approximately HK$0.1614 per Share as at 30 September 2014.

Set out below is the chart of the showing the Share price from 22 April 2014 (i.e. 12 months prior to the date of the Placing Agreement) to the Latest Practicable Date.



Note:

Event 1: On 15 April 2015, the Company announced a possible fund raising by way of issuing shares or convertible equities and a possible acquisition of certain properties.

Event 2: On 28 April 2015, the Company announced, among other things, the Proposed Acquisition and the Placing.

Event 3: On 4 June 2015, the Company announced a discloseable transaction in relation to the disposal of 18% interest in Sharp Legend Inc..

The Directors noted the recent fluctuation of the trading price of Shares. As set in table above, the price of the Shares has been trading within the range of HK$0.1010 to approximately HK$0.2550 over the past 12 months up to and including the last trading day preceding the date of the Placing Agreement (i.e. 22 April 2015), with the share price and volume have stayed below the Conversion Price for most of the time until the publication of the announcement by the Company regarding the Proposed Acquisition. Since then, trading price and volume started to pick up and the Shares continue to be actively traded at prices in excess of its audited net assets value per Share as at 30 September 2014. The Conversion Price, the interest rate and the size of Convertible Bonds were determined between the Company and Placing Agent as a whole. The Directors consider that the 2% annual interest rate is within the market range for an unsecured debt.

Having considered all the factors above, the Board considers that the terms of the Placing Agreement and the Convertible Bonds (including the placing commission, the interest rate and the Conversion Price) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3.13 Fund Raising Activities of the Company in the past twelve months

The Company has conducted the following equity fund raising exercises in the past twelve months immediately preceding 27 April 2015, being the date of the Company's announcement relating to the Placing:

Date of announcement	Equity fund raising exercise	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
4 November 2014	Placing of new Shares under general mandate	HK$37.07 million *(note i)*	(i) general working capital of the Company; (ii) repayment of a short-term bank loan of a subsidiary of the Company; and (iii) financing the money lending business of the Group	(i) approximately HK$10.4 million was used for general working capital of the Group; (ii) approximately HK$7.2 million will be used to repay a short-term bank loan for a subsidiary of the Company *(note ii)*; and (iii) approximately HK$19.27 million will be used to finance the money lending business of the Group *(note iii)*.

Note:

(i) The proceeds which had been used as general working capital is detailed as follows:

	HK$ million (approximately)
Staff cost (including Directors' fees, salaries and wages)	5.1
Bonds interest paid	2.0
Legal and professional fees	1.0
Rent and rates for office premises	1.7
Other general and administration expenses	0.6
Total	10.4

(ii) The short-term bank loan relates to a subsidiary of the Company. As at the Latest Practicable Date, the Company is still negotiating with the relevant bank and the minority shareholder of the Company regarding the amount of short term bank loan to be borne by the Company. Therefore, as at the Latest Practicable Date, the proceeds has not been used as the intended purpose.

(iii) The Company needs to apply for a money lender license from the Police Department to conduct money lending businesses in Hong Kong. A wholly-owned subsidiary of the Company had just obtained the money lender license in early June 2015. The Company expected the unutilized proceeds of approximately HK$19.27 million may be applied for the intended use in the third quarter of 2015.

(iv) The unutilized proceeds of approximately HK$26.67 million have been placed in the Company's bank account.

4. PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ISSUE SHARES

At the Last AGM of the Company which was held on 30 September 2014, among other things, ordinary resolution(s) were passed by Shareholders to grant to the Directors the Existing General Mandate which enables the Directors to allot, issue and deal with Shares not exceeding 20% of aggregate nominal amount of the issued shares of the Company as at the date of the Last AGM (i.e. not exceeding 331,069,440 Shares).

On 4 November 2014, the Company announced a placing of a maximum of 331,069,440 Shares through a placing agent on a best effort basis (the "**November Placing**"). The November Placing was completed on 19 November 2014 whereby 331,068,000 Shares were issued under the Existing General Mandate. As announced by the Company on 4 November 2014, it was intended that the net proceeds from the November Placing, in the amount of HK$37.07 million, would be used for (i) general working capital of the Company; (ii) repayment of a short-term bank loan of a subsidiary; and (iii) financing the money lending business of the Company. As of the Latest Practicable Date, approximately HK$10.4 million out of the net proceeds of the November Placing was used for general working capital of the Group, and the balance of proceeds will be used (i) as to approximately HK$7.2 million to repay a short-term bank loan for a subsidiary of the Company; and (ii) as to approximately HK$19.27 million to finance the money lending business of the Group.

The Existing General Mandate had almost been fully utilized after the completion of the November Placing. If the Existing General Mandate is not refreshed, the Directors would only be allowed to allot and issue up to 1,440 Shares, representing less than 0.0001% of the issued share capital of the Company as at the Latest Practicable Date. The Existing General Mandate has not been refreshed since it was granted at the Last AGM.

On 26 May 2015, the Company announced that the Board proposed to refresh the Existing General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of such resolution. Subject to the passing of the ordinary resolution for the approval of the refreshment of the Existing General Mandate and based on the total number of 1,986,415,200 issued Shares as at the Latest Practicable Date and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the refreshment of the Existing General Mandate will allow the Directors to issue and allot up to 397,283,040 new Shares, being 20% of the Shares in issue as at the Latest Practicable Date.

The Board considers that equity financing through the use of a general mandate is an important source to the Group, as it (i) does not create any payment of interest obligations on the Group as compared with bank financing; (ii) is less costly than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any fund raising or prospective investment opportunity as and when it arises. Given that the 2015 annual general meeting of the Company is expected to be held on or before 30 September 2015, and the Board considers that such ability is crucial in a competitive and rapidly changing investment environment and in times of volatile market conditions. In addition, as set out in paragraphs headed "2. THE ACQUISITION AGREEMENT" in this circular, a wholly-owned subsidiary of the Company entered into the Acquisition Agreement to acquire the Target Companies at the total cash consideration of HK$297,193,940. At present, it is expected that the total consideration of HK$297,193,940 will be settled (i) as to HK$145,250,000 by the net proceeds from the Placing; (ii) as to HK$120,000,000 by way of mortgage loan to be obtained from a bank in Hong Kong; and (iii) the balance to be financed by the internal resources of the Company. However, in the event that the Company fails to place part or all of the Convertible Bonds or to obtain the mortgage loan from the bank, the Company, depend on the then market conditions, will consider possibility to raise funds from the equity market by issue of new Shares under the New General Mandate. Save for the above, as at the Latest Practicable Date, the Company has no current intention to use the New General Mandate before the 2015 annual general meeting of the Company, nor does the Company have any other specific plans of investments or business development at present.

The Company's expected funding needs from the Latest Practicable Date to the end of September 2015 (i.e. the expected date for the 2015 annual general meeting of the Company) mainly include: (a) the aggregate operating and financing cash outflow of the Group amounting to approximately HK$12.2 million, assuming that routine general and administration expense of the Group remained the same and consistent with historical pattern; and (b) investing cash outflow amounting to approximately HK$44.7 million, being the part of the consideration for the Proposed Acquisition (i.e. the total consideration for the Proposed Acquisition of approximatelyHK$297 million minus the refundable Deposit of approximately HK$29.7 million paid and remaining balance of the purchase price of approximately HK$222.6 million to be paid by Vendor to the Original Vendor on completion date of the Formal Sale and Purchase Agreements, assuming that completion of the Proposed Acquisition takes place before the end of September 2015 whilst by then completion of the Formal Sale and Purchase Agreements have not taken place.

As the proposed refreshment of the Existing General Mandate is being made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executives and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate.

5. PROPOSED CHANGE OF COMPANY NAME

On 26 May 2015, the Company announced that it proposed to change the English name of the Company from "**ABC Communications (Holdings) Limited**" to "**Ban Loong Holdings Limited**" and adopt "**萬隆集團有限公司**" as its Chinese secondary name. Upon the adoption of the new Chinese secondary name, the Company will cease to use its existing Chinese name "佳訊(控股)有限公司" for identification purposes.

The proposed change of company name is subject to: (a) the approval by the Shareholders by way of a special resolution at the SGM; and (b) the registrar of companies in Bermuda granting approval for the use of the proposed new English and Chinese names of the Company.

The relevant filing with the registrar of companies in Bermuda will be made after the passing of the special resolution regarding the change of company name at the SGM. Subject to satisfaction of the conditions set out above, the change of company name will take effect from the date on which the registrar of companies in Bermuda enters the new name (together with the Chinese secondary name) on the register in place of the existing name. Thereafter, the Company will carry out the necessary filing procedures with the Companies Registry in Hong Kong.

The change of company name will not affect any of the rights of the Shareholders. All existing share certificates in issue bearing the Company's existing name will, after the change of company name, continue to be evidence of title to the Shares and be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for the free exchange of the existing share certificates for new share certificates under the new name of the Company. Once the change of the Company's name has become effective, the Shares will be traded under the new stock short names of the Company and any issue of new share certificates will be in the new name of the Company.

The Company has been broadening its source of income and alleviating reliance on any single line of business segment. At present, the Company's business segments mainly include (i) financial quotation and securities trading system licensing segment; (ii) mining operation segment; and (iii) encryption technology and products segment. After completion of the Proposed Acquisition, the Company will also be engaged in the property investment segment. Comparing with the existing name of the Company, which carries on the word "communication", the proposed new name of the Company is more focused on "holdings". The Board believes that the proposed new name of the Company not only can refresh the Company's corporate image and identity, but also more accurately reflect the diversified business portfolio of the Company. The Board believes that the change of company name will benefit the Company's future business development and is in the best interests of the Company and the Shareholders as a whole.

Further announcement(s) will be made by the Company in due course to inform the Shareholders of the results of the SGM, the effective date of the change of company name and the new stock short names of the Company for trading of the shares of the Company on the Stock Exchange.

6. LISTING RULES IMPLICATIONS AND SHAREHOLDER'S APPROVAL REQUIREMENTS

The relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Proposed Acquisition are more than 25% but less than 100%. Accordingly, the Proposed Acquisition constitutes a major acquisition for the Company under Chapter 14 of the Listing Rules and is subject to reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

The Convertible Bonds proposed to be issued by the Company and placed under the Placing will be issued under the Specific Mandate which is subject to Shareholders' approval at the SGM.

As the proposed refreshment of the Existing General Mandate is being made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executives and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate.

The proposed change of company name is subject to the approval by the Shareholders by way of special resolutions at the SGM.

The SGM will be held for the Shareholders to consider and, if thought fit, approve the resolutions in respect of (a) the Acquisition Agreement and the transactions contemplated thereunder; (b) the Placing Agreement and the transaction contemplated thereunder, the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate; (c) the proposed refreshment of the Existing General Mandate to issue Shares; and (d) the proposed change of name of the Company.

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of the Shareholders at a general meeting must be taken by poll (except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands). The chairman of the meeting will therefore demand a poll for every resolution put to the vote of the SGM pursuant to Bye-law 70 of the Company's Bye-laws.

7. THE SGM

The SGM Notice is dispatched to Shareholders together with this circular. A form of proxy for use at the SGM is also enclosed.

A valid proxy must be completed and returned to the share registrar of the Company, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in accordance with the instructions printed on the proxy form not less than 48 hours before the time fixed for holding the SGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM if you so wish.

As the proposed refreshment of the Existing General Mandate is being made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executives and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate.

As at the Latest Practicable Date, the Company has no controlling Shareholders. Mr. Chow Wang and Mr. Fong For, being executive and non-executive Directors with shareholding interest in the Company, together with their respective associates are required to abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate at the SGM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has an interest in the Acquisition Agreement or the Placing Agreement that is materially different from the other Shareholders, and no Shareholder is required to abstain from voting or voting in favour at the SGM in respect of any resolutions at the SGM, save for and except the abstaining from voting in favour of the resolution approving the refreshment of the Existing General Mandate by the Directors with shareholding interest in the Company at the SGM as stated above as required under Rule 13.36(4) of the Listing Rules.

8. CLOSE OF REGISTER

For the purpose of determining the list of shareholders who are entitled to attend and vote at the SGM, the register of members of the Company will be closed from 17 August 2015 to 19 August 2015, both days inclusive. No transfer of shares of the Company will be registered during that period.

In order to qualify to attend and vote at the SGM, all instruments of transfer together with the relevant share certificate(s) must be lodged with the Company's branch share registrar, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on 14 August 2015.

9. RECOMMENDATIONS

The Board is of the view that the Proposed Acquisition, the Placing (including the issue of the Convertible Bonds and the issue and allotment of the Conversion Shares under the Specific Mandate) and the proposed change of name of the Company are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends that the Shareholders vote in favour of Resolutions Nos. 1 to 4 as set out in the SGM Notice.

The Directors (excluding the independent non-executive Directors) are of the view that the terms of the proposed refreshment of the Existing General Mandate are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors (other than the independent non-executive Directors) recommend the Independent Shareholders to vote in favour of Resolution No. 3 as set out in the SGM Notice.

The Board has established the Independent Board Committee comprising all independent non-executive Directors to consider and, if appropriate, make a recommendation to the Independent Shareholders (i) as to whether the proposed refreshment of the Existing General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser.

The Company has appointed Donvex Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate.

Your attention is drawn to the letter from the Independent Board Committee set out on pages 41 to 42 and the letter from the Independent Financial Adviser set out on pages 43 to 51 of this circular. After taking into account the terms of the proposed refreshment of the Existing General Mandate and the opinion of the Independent Financial Adviser, the Independent Board Committee considers that the proposed refreshment of the Existing General Mandate is/is not fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends that the Independent Shareholders vote in favour of/against the resolution to be proposed at the SGM to approve the refreshment of the Existing General Mandate.

10. GENERAL

The Group is principally engaged in providing financial information services, wireless applications development, securities trading system licensing, encryption technology development with related products manufacturing and mining operations.

Your attention is drawn to the additional information set out in the letter from the Independent Board Committee set out on pages 41 to 42, the letter from the Independent Financial Adviser set out on pages 43 to 51 and the appendices to this circular.

Shareholders and potential investors of the Shares should note that the Proposed Acquisition and the Placing are subject to the fulfillment or waiver of their respective conditions precedent and may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

Yours faithfully
For and on behalf of the Board
ABC Communications (Holdings) Limited
Chow Wang
Chairman & Executive Director

ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

Independent Non-Executive Directors:
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan

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

Principal Place of Business in Hong Kong:
Room 2709-10, 27/F
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

20 July 2015

To the Independent Shareholders

Dear Sirs

PROPOSED REFRESHMENT OF THE EXISTING GENERAL MANDATE TO ISSUE SHARES

We refer to the circular dated 20 July 2015 issued by the Company to its Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the circular have the same meanings when used in this letter.

We have been appointed as members of the Independent Board Committee to advise you as to the fairness and reasonableness of the proposed refreshment of the Existing General Mandate and to recommend as to how the Independent Shareholders should vote at the SGM. Donvex Capital Limited has been appointed to advise us, the Independent Board Committee, and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate.

Your attention is drawn to the letter from the Board, as set out on pages 8 to 40 of the circular, and the letter from the Independent Financial Adviser to us and the Independent Shareholders containing its advice in respect of the proposed refreshment of the Existing General Mandate as set out on pages 43 to 51 of this circular.

Taking into account the principal factors and reasons considered by Independent Financial Adviser and its conclusion and advice, we concur with the views of the Independent Financial Adviser and consider that the proposed refreshment of the Existing General Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend that the Independent Shareholders vote in favour of the ordinary resolution to be proposed at the SGM to approve the refreshment of the Existing General Mandate.

Yours faithfully,
The Independent Board Committee of
ABC Communications (Holdings) Limited

Jiang Zhi	**Leung Ka Kui, Johnny**	**Wong Chui San, Susan**
Independent Non-Executive Director	*Independent Non-Executive Director*	*Independent Non-Executive Director*

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

Donvex 富域資本
Donvex Capital Limited
富域資本有限公司

Unit 1305, 13th Floor,
Carpo Commercial Building
18-20 Lyndhurst Terrace
Central, Hong Kong

20 July 2015

To: The Independent Board Committee and the Independent Shareholders of
ABC Communications (Holdings) Limited

Dear Sir or Madam,

PROPOSED REFRESHMENT OF GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in connection with the Refreshment of General Mandate, details of which are set out in the letter from the Board (the "**Letter from the Board**") contained in the circular of the Company to the Shareholders dated 20 July 2015 (the "**Circular**"), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

At the AGM on 30 September 2014, the Shareholders approved to the Directors the Existing General Mandate to allot and issue not exceeding 331,069,440 Shares, being 20% of the existing share capital of the Company of 1,655,347,200 Shares as at the date of passing the ordinary resolution. Although the Existing General Mandate have not been fully utilised as at the Latest Practicable Date, the maximum number of Shares can be further allotted and issued is limited to 1,440 shares. Therefore, the Board proposes to seek approval from the Independent Shareholders for the Refreshment of General Mandate such that the Directors will be authorised to allot and issue new Shares not exceeding 20% of the total issued share capital of the Company as at the date of passing the ordinary resolution at the SGM. In accordance with Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. According to the Directors, the Company has no controlling Shareholders as at the Latest Practicable Date, therefore under Rule 13.36(4)(a) of the Listing Rules, any controlling shareholders of the Company and their associates, or where there is no controlling shareholder, the Directors (excluding independent non- executive Directors) and the chief executive of the Company and their respective associates, shall abstain from voting in favour of the ordinary resolution to approve the Refreshment of General Mandate to be proposed at the SGM.

The Independent Board Committee, comprising Mr. Jiang Zhi, Mr. Leung Ka Kui Johnny & Ms. Wong Chui San Susan, being all the independent non-executive Directors, has been established to advise the Independent Shareholders on the Refreshment of General Mandate.

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors. We have assumed that all information and representations that have been provided by the Directors, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed that having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the 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 in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, its subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Refreshment of General Mandate. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date.

Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between Donvex and the Company or any other parties that could be reasonably regarded as hindrance to Donvex's independence as defined under Rule 13.84 of the Listing Rules to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Refreshment of General Mandate. We will receive a standard professional fee from the Company. Save for the appointment as the Independent Financial Adviser on the Refreshment of General Mandate, we are independent from, and are not associated with the Company or its substantial shareholder(s) or connected person(s), as defined under the Listing Rules during the past two years immediately preceding and up to the date of our appointment as the Independent Financial Adviser. Despite from the standard professional fee payable to us in connection with this appointment, no arrangements exist whereas we will receive any fees or benefits from the Company or its substantial shareholder(s) or connected person(s), as defined under the Listing Rules.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the Refreshment of General Mandate, we have taken into consideration the following principal factors and reasons:

(1) Background of and reason for the Refreshment of General Mandate

The Group is principally engaged in providing financial information services, wireless applications development, securities trading system licensing, encryption technology development with related products manufacturing and mining operations.

At the annual general meeting of the Company on 30 September 2014 (the "**AGM**"), the Shareholders approved to grant the Existing General Mandate which enables the Directors to allot and issue maximum of 331,069,440 new Shares. Reference is made to the announcement dated 19 November 2014 in connection with the Previous Placing, during the period from the grant of the Existing General Mandate to the Latest Practicable Date, the Existing General Mandate had been utilised as to 331,068,000 shares representing approximately 99.99% of the Existing General Mandate and the Existing General Mandate has not been refreshed since the AGM.

As advised by the Directors, due to the next annual general meeting is expected to be held on 30 September 2015, which is approximately 2 months away from the Latest Practicable Date, thence if the New General Mandate is not granted, only 1,440 new Shares may be further allotted and issued by the Directors under the Existing General Mandate. In order to allow the financial flexibility for future business development whereas the Existing General Mandate has been substantially utilised as a result of the Previous Placing, the Board proposes to seek approval of Independent Shareholders for the Refreshment of General Mandate so that the Directors will be granted the authority to issue and allot new Shares not exceeding

20% of the total issued share capital of the Company as at the date of passing the ordinary resolution at the SGM.

As at the Latest Practicable Date, the Company had 1,986,415,200 shares in issue. On the basis that no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date up to the date of the SGM, the General Mandate would allow the Directors to allot and issue up to 397,283,040 new Shares, representing 20% of the total issued share capital of the Company as at the date of the SGM. Having considered that equity financing through the use of the New General Mandate is interest-free and provides advantages over other financing alternatives as further discussed in the section "4. Other financing alternatives" below.

As disclosed in the Company's announcement dated 27 April 2015, on 24 April 2015, the Company (through its wholly-owned subsidiary) entered into the Acquisition Agreement with the Vendor in relation to the proposed acquisition of the Target Companies, which in turn have entered into the Provisional Agreements to acquire the Target Properties. If the Proposed Acquisition proceeds to completion, the total cash consideration payable by the Group would be HK$297,193,940.

At the Latest Practicable Date, the Directors expect that the total consideration of HK$297,193,940 of the Proposed Acquisition will be settled (i) as to HK$145,250,000 by the net proceeds from the Placing; (ii) as to HK$120,000,000 by way of mortgage; and (iii) the balance to be financed by internal resources of the Company. However, in the event that the Company fails to place part or all of the Convertible Bonds or to obtain the mortgage loan from the bank, the Company, depend on the then market conditions, will consider possibility to raise funds from the equity market by issue of new Shares under the New General Mandate. Save for the above, as at the Latest Practicable Date, the Company has no current intention to use the New General Mandate before the 2015 annual general meeting of the Company, nor does the Company have any other specific plans of investments or business development at present. In determining the sufficiency of the working capital of the Enlarged Group, the Directors have made assumptions that (i) all of the HK$150,000,000 Convertible Bonds will be placed in full; and (ii) a mortgage of HK$120,000,000 will be duly obtained from a bank in Hong Kong. As at the Latest Practicable Date, the Company (i) has not made any concrete agreement and arrangement in relation to mortgage; and (ii) has not made any formal application for mortgage with any banks.

Given the foregoing, we are of the opinion that the Refreshment of General Mandate would provide the necessary flexibility to fulfill any possible funding needs for future business development and/or investment decisions. Accordingly, we are of the view that the Refreshment of General Mandate is in the interests of the Company and the Shareholders.

(2) Fund raising activities in the past twelve months

The Company has conducted the following equity fund raising exercises in the past twelve months prior to the Latest Practicable Date.

Date of announcement	Equity fund raising exercise	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
4 Nov 2014	Placing of new Shares under General Mandate	HK$37.07 million	(i) general working capital of the Company; (ii) repayment of a short-term bank loan of a subsidiary; and (iii) financing the money lending business of the Company.	Approximately HK$10.4 million was used for general working capital of the group and the balance has not been utilised as of the date of this announcement.

Save as and except for the above, the Company had not conducted any other fund raising activities in the past twelve months immediately prior to the Latest Practicable Date. As disclosed in the Company's announcement dated 4 November 2014, the Company intended to use the net proceeds (in the amount of approximately HK$37.07 million) (i) as to approximately HK$9.57 million for general working capital of the Company; (ii) as to approximately HK$7.5 million for repayment of a short-term bank loan of a subsidiary; and (iii) as to approximately HK$20 million for financing the newly set up money lending business of the Company, the directors confirmed that there have been no change in the allocation and intended use of the unutilised proceeds. The Directors also advised that the unutilised proceeds were due to the delay in obtaining a money lender license by the wholly-owned subsidiary of the Company which ultimately postponed the plan of engaging in money-lending business, As stated in the Letter from the Board, the wholly-owned subsidiary of the Company had just been able to obtain a money lender license in June 2015. In light of this, the intended use of the unutilised proceeds would be remaining unchanged with the designated purpose consistently as disclosed in the Company's announcement dated 4 November 2014.

As disclosed in this Circular, the financial position of the Group as at 31 March 2015 as represented by its cash and bank balances of approximately HK$97.9 million in comparison with current bank borrowings and bonds of approximately HK$72.3 million.

The Directors consider that the granting of the New General Mandate is intended to provide financial flexibility to the Company in view of its current funding needs arising from the Proposed Acquisition. As stated in the Letter from the Board, as at the Latest Practicable Date, save and except the Proposed Acquisition as disclosed above, the Company has no concrete plan or any other specific plans of investments or business development at present. As at the Latest Practicable Date, the Company has not yet formulated any concrete plan for raising capital by issuing new Shares. If the Company proposes to issue any new Shares utilising the New General Mandate, it will make further announcement(s) as and when required.

Having considered that (i) the Existing General Mandate is almost fully utilised, and it is expected that the next annual general meeting will not take place until September 2015; (ii) the potential funding needs arising from the proposed Acquisition; and (iii) the financial position of the Group, we are of the view that Refreshment of General Mandate is fair, reasonable and justifiable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole.

(3) Flexibility in financing

The Refreshment of General Mandate would provide the Company with the flexibility as allowed under the Listing Rules to allot and issue new Shares for equity fund raising activities, such as placing of new Shares, or as consideration for potential investments in the future as and when such opportunities arise. Furthermore, the additional amount of equity which may be raised after the Refreshment of General Mandate would provide the Group with more financing options on a timely basis. Given the financial flexibility available to the Company as discussed above, we consider that the Refreshment of General Mandate would provide the Company with the necessary flexibility to fulfil any possible future funding needs.

The Directors consider that equity financing through the use of a general mandate is an important source to the Group, as it (i) does not create any payment of interest obligations on the Group as compared with bank financing; (ii) is less costly than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability to capture any fund raising or prospective investment opportunity as and when it arises. The Board considers that such ability is crucial in a competitive and rapidly changing investment environment and in times of volatile market conditions. As at the Latest Practicable Date, the directors advised that the Company has not yet formulated any concrete plan for raising capital by issuing new Shares, nor does the Company have any other specific plans of investments or business development at present (save and except for the Proposed Acquisition).

Having considered that (i) the Existing General Mandate is almost fully utilised, and it is expected that the next annual general meeting will not take place until September 2015; (ii) the proposed grant of the Refreshment General Mandate could provide the Group with flexibility to allot and issue new Shares without the need to seek further approval from the Shareholders; and (iii) the Group could raise capital and to strengthen the capital base of the Group, if and when required, through placing of new Shares under the New General Mandate for further development of the Group in a timely manner. We are of the view that the grant of the New General Mandate will provide the Company with an additional alternative of equity funding and enhance the financing flexibility of the Company to raise funds if required by way of issuance of new Shares for future business development.

(4) Other financing alternatives

The Directors consider that debt financing may incur interest burden on the Group and may be subject to lengthy due diligence and negotiations with the banks, capital structure and the financial market condition at that time. Regarding the different equity financing methods, in the case of alternative pro-rata equity fund raising such as rights issue and open offer, lengthy discussion with potential commercial underwriters may be required, which may result in the failure of financing the Group's business development and expansion on a timely basis.

We have enquired into the Directors and the Directors confirmed that apart from equity financing, the Group will also consider debt financing and bank borrowings to be other possible fund raising alternatives available to the Group. However, the Directors are of the view that the ability of the Group to obtain bank borrowings usually depends on the Group's profitability, financial position and then prevailing market condition. In addition, such alternative may be subject to lengthy due diligence and negotiations with banks. Furthermore, equity financing under the New General Mandate (i) does not incur any interest payment obligations on the Group as compared with bank financing; (ii) provides the Company with an alternative means for fund raising which is vital in light of the tightened bank credit under the current market conditions; (iii) is less costly and time-consuming than raising funds by way of rights issue or open offer; and (iv) provides the Company with the capability to capture any capital raising or prospective investment opportunity as and when it arises. The Directors confirmed that they would exercise due and careful consideration when choosing the best financing method available to the Group. With this being the case, along with the fact that the Refreshment of General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future business development.

(5) Potential dilution to shareholding of the Independent Shareholders

The table below sets out the shareholding structure of the Company (i) as at the Latest Practicable Date and (ii) for illustrative purposes only, upon full of the New General Mandate (assuming no further Share is issued or repurchased by the Company), and (iii) for illustrative purposes only, immediately upon full conversion of the Convertible Bonds.

	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate		Immediately upon full conversion of the Convertible Bonds		Upon full utilisation of the New General Mandate and full conversion of the Convertible Bonds	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*	*No. of Shares*	*Approximate %*	*No. of Shares*	*Approximate %*
Mr. Fong For *(Note 1)*	331,068,000	16.67%	331,068,000	13.89%	331,068,000	11.88%	331,068,000	10.40%
Mr. Chow Wang *(Note 2)*	64,964,000	3.27%	64,964,000	2.71%	64,964,000	2.33%	64,964,000	2.04%
Public shareholders	1,590,383,200	80.06%	1,590,383,200	66.72%	1,590,383,200	57.08%	1,590,383,200	49.95%
Shares to be issed under the New General Mandate	–	–	397,283,040	16.67%	–	–	397,283,040	12.48%
The Placees	–	–	–	–	800,000,000	28.71%	800,000,000	25.13%
	1,986,415,200	100.00%	2,383,698,240	100.00%	2,786,415,200	100.00%	3,183,698,240	100%

Notes:

1. Mr. Fong For is a Non-executive Director of the Company.

2. Mr. Chow Wang is an Executive Director of the Company.

The table above illustrate that the shareholdings of the existing public Shareholders would decrease from approximately 80.06% as at the Latest Practicable Date to approximately 66.72% upon full utilisation of the New General Mandate (assuming no other Shares are issued or repurchased by the Company prior to the SGM). Such potential dilution to the shareholdings of the existing public Shareholders represents a dilution of approximately 13.34 percentage point. The existing public shareholders would decrease from approximately 80.06% to approximately 49.95% upon full conversion of the Convertible Bonds from the Latest Practicable Date to the date of the SGM and full utilisation of the Issue Mandate, representing a potential maximum decrease in shareholding of approximately 22.98 percentage point.

We are aware of the aforementioned dilution effect incurred by the previous refreshments and the potential dilution to the Independent Shareholders' shareholding interests in the Company upon utilisation of the New General Mandate. However, we consider that the foregoing should be balanced against the fact that:

- the Independent Shareholders are offered a chance to express their view on the terms of the Refreshment of General Mandate through voting at the SGM;
- the New General Mandate will allow the increase in capital which may be raised by way of new equity issue under the New General Mandate;
- the New General Mandate will provide an alternative of financing to the Group for future development of its business and potential investment as and when such opportunities arise; and
- the fact that the shareholding of all the existing Shareholders will be diluted proportionally to their respective shareholdings upon utilisation of the New General Mandate.

Taking into account that the Refreshment of General Mandate (i) would allow the Company to maintain adequate general mandate to raise capital; (ii) would provide more flexibility and options of financing to the Company for future business development; and (iii) the acceptable potential dilution to shareholdings of the Independent Shareholders, we are of the opinion that the proposed grant of the New General Mandate is acceptable.

RECOMMENDATION

Having taken into account the above factors and reasons, we are of the view that the Refreshment of General Mandate is fair, reasonable and justifiable so far as the Company and the Independent Shareholders are concerned and in the interests of the Company and Shareholders as a whole. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the SGM to approve the Refreshment of General Mandate.

Yours faithfully,
For and on behalf of
Donvex Capital Limited
Vincent Chung
Responsible Officer

Mr. Vincent Chung is a person licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO and is a responsible officer of Donvex Capital Limited who has over 19 years of experience in corporate finance industry.

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the past three years has been published in the annual results/the annual reports per below:

(i) the financial information of the Group for the year ended 31 March 2015 is disclosed in the annual results of the Company for the year ended 31 March 2015 published on 30 June 2015, from pages 1 to 22.

(ii) the financial information of the Group for the year ended 31 March 2014 is disclosed in the annual reports of the Company for the year ended 31 March 2014 published on 29 July 2014, from pages 37 to 91; and

(iii) the financial information of the Group for the year ended 31 March 2013 is disclosed in the annual reports of the Company for the year ended 31 March 2013 published on 29 July 2013, from pages 34 to 91.

Unqualified audit opinion was issued for each of the audited consolidated financial statements of the Group for the years ended 31 March 2013 and 2014 and qualified audit opinion is to be issued for the audited consolidated financial statements of the Group for the year ended 31 March 2015 as set out in the annual results published by the Company on 30 June 2015.

All of which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.0030hk.com).

2. FINANCIAL PROSPECT OF THE GROUP

The Group involves in three identifiable business segments namely the mining operations segment, the financial quotation segment and the encryption technology and product segment.

The segmental results of the mining operations segment of the Group had not been performing well in the past few years. During the twelve months ended 31 March 2015, the turnover attributed to the Group's mining business was only HK$595,450, representing a decrease of 13.7% compared to the corresponding period in 2014. The operating loss attributed to the mining operations segment during the same period had decreased from HK$5,173,402 to HK$4,141,476, representing a decrease of 19.9% compared to the corresponding period in 2014. As stated in the Company's announcement dated 30 March 2015, the Group has entered into a operating lease contract pursuant to which assets of the mining operations segment, including mines and the mining plants and equipment, was leased to an independent third party. It was considered that the operating lease arrangement provides an opportunity for the Group to generate a stable rental income from the mines and minimize the Group's exposure to extra capital expenditure and operating costs associated with the mining assets.

The financial quotation segment was still the main revenue contributor of the Group. The business of the financial quotation segment is closely associated with the growth and prosperity of the stock market in Hong Kong. Despite the recent upsurge in the investment sentiments in the stock market, the Directors expect that the business environment of the segment remains challenging due to the keen competition, especially from those free-stock-quote services providers. The prospect of the segment depends on the management's ability to retain customers by providing quality services and to control costs. The Company plans to (i) streamline corporate structure to cut administration costs; (ii) solicit more financial institutions, such as banks and securities brokerage firm to use the Group's quotation services; (iii) improve the migration of data with securities brokerage firm's online trading portal to improve user experience; and (iv) improve portfolio management and alert services for subscribers.

The encryption technology and product segment is rather new to the Group. The Company is in the process of reviewing and formulating the business strategy for the encryption technology and product segment which might involve a possible scaling-down and/or sell-down and/or the introduction of new investors and/or new project partners in light of its uncertain market prospect. The Company is, at present, soliciting sale orders with potential wholesalers. It was thought that by entering into the segment, the Group could explore in the fast-growing portable communication and computing device industry. The Group is in the process of designing the second generation portable devices with built-in proprietary Quantum Direct Key encryption technology. The Group had already secured some sale order for the encryption devices. Subject to the obtaining of all necessary licenses, it was preliminary expected that the device would be launched in the first quarter of 2016. When all necessary licenses and approvals are obtained, the Group will launch these portable devices in the China market without incurring any material capital expenditure.

As stated in the annual report of the Company for the year ended 31 March 2014, while the Group has been endeavoring to pursue the existing business, it has been formulating a business strategy with a view to diversifying its business and asset base in order to magnify the Company's development potential and the Shareholders' return.

Having considered the economic condition of the property market in Hong Kong, the Target Properties are located at a core location and the market price of properties with proximity, the Directors expect that the Proposed Acquisition offers a valuable opportunity to enhance the long-term growth potential of the Group. The Company does not expect material capital expenditure to be incurred as the Company will not build any production facilities for the new property investment business segment. The Board will continue to, leveraging on the experience and network of the Directors and senior management, explore other business opportunities.

If the Proposed Acquisition proceeds to completion, the Company intends to retain property agency companies to assist the Company in (a) identifying a new tenant when any existing tenancy expires without mutual agreement to extend; and (b) collecting rents from tenants on monthly basis and handling daily requests of existing tenants regarding interior repair and other miscellaneous matters.

3. INDEBTEDNESS STATEMENT

As at the close of business on 31 May 2015, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the indebtedness of the Enlarged Group was as follows:

(i) Bank borrowing

The Enlarged Group had outstanding unsecured bank borrowing plus accrued interest of HK$7,707,339. There were no guarantees on the bank borrowing.

(ii) Other indebtedness

The Enlarged Group had outstanding indebtedness of HK$6,975,651 due to non-controlling interest shareholders of the subsidiaries, which was unsecured, non-interest bearing and repayable on demand.

The Enlarged Group had outstanding indebtedness of HK$45,728,800 due to the Vendor, which was unsecured, non-interest bearing and repayable on demand.

The Enlarged Group had outstanding indebtedness of HK$2,465,773 due to independent third parties, which was unsecured, non-interesting bearing and repayable on demand.

The Enlarged Group had outstanding unsecured bonds with principal amount of HK$70,000,000 bearing interest at 5.5% per annum and repayable on the seventh anniversary of the date of issue.

(iii) Contingent liabilities

As at the close of business on 31 May 2015, the Enlarged Group had no material contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, the Enlarged Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance or acceptance credits, debentures, mortgages, charges, hire purchase or finance lease commitments, guarantees or contingent liabilities.

For the purpose of the above indebtedness statement, the foreign currency, Reminbi, has been translated into Hong Kong dollars at the approximate rate of 0.800:1.

4. WORKING CAPITAL

The Directors expect that the total consideration of HK$297,193,940 of the Proposed Acquisition will be settled (i) as to HK$145,250,000 by the net proceeds from the Placing; (ii) as to HK$120,000,000 by way of bank borrowing from a bank in Hong Kong; and (iii) the balance to be financed by internal resources of the Company. In determining the sufficiency of the working capital of the Enlarged Group, the Directors have made assumptions that (i) all of the HK$150,000,000 Convertible Bonds will be placed in full; (ii) bank borrowings of HK$120,000,000 will be duly obtained from a bank in Hong Kong; (iii) completion of the Proposed Acquisition and the Formal Sale and Purchase Agreements takes place before the end of October and December 2015 respectively; (iv) completion of the disposal of 18% issued share capital of Sharp Legend Inc. takes place before the end of December 2015 (details were set out in the Company's announcement dated 4 June 2015); and (v) that routine general and administration expense of the Group remained the same and consistent with historical pattern.

As at the Latest Practicable Date, the Company has not received any indication from the Placing Agent that the Convertible Bonds will not be placed in full. The Company has preliminary discussions with a bank in Hong Kong regarding the bank borrowings. The Company understands that it is a market practice to obtain around 40% mortgage loan against the appraised value of the relevant properties, although as at the Latest Practicable Date, the Company has not made any formal application for any bank borrowings or mortgage loan, nor made any concrete arrangement in relation to the bank borrowings.

The Directors are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the Enlarged Group's business prospects, internal resources and based on the assumptions regarding the financing arrangement for the Placing and mortgage loan as set out above, the Enlarged Group has sufficient working capital for its present requirements for a least the next twelve months from the date of this circular.

After reviewing the work capital forecast prepared by the Company, assuming the Proposed Acquisition will proceed, auditors of the Company is of the opinion that should the net proceeds from the Placing and the bank borrowings to be obtained from a bank be excluded from the working capital forecast, the Enlarged Group will not have sufficient working capital for its present requirements, which is for at least the next 12 months from the date of this circular.

The Directors will consider the possibility of fund raising activities from the equity market depending on the then market conditions, in the event that the Enlarged Group fails to place all of the HK$150,000,000 Convertible Bonds and to obtain the bank borrowings. In the event that the Company cannot raise sufficient funds to finance the Proposed Acquisition through the aforesaid attempts, the Company can terminate the Acquisition Agreement without incurring any liability of compensation pursuant to the terms of the Acquisition Agreement. Therefore, the Directors do not consider that the Proposed Acquisition will result in any liquidity problem for the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited financial information of the Group were made up.

The followings are the texts of reports, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON THE TARGET COMPANY A

信永中和 ShineWing

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Summit Pacific Group Limited ("**Summit Pacific**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 13 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Summit Pacific for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Summit Pacific (the "**Acquisition**").

Summit Pacific was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. Summit Pacific is principally engaged in property holding. The addresses of the registered office and the principal place of business of Summit Pacific are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Summit Pacific as there is no statutory audit requirement under the relevant rules and regulations in its jurisdiction of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Summit Pacific since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to Summit Pacific in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Summit Pacific has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Summit Pacific has prepared the financial statements of Summit Pacific for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Summit Pacific based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 13 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Summit Pacific is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Summit Pacific determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$1,975,655. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Summit Pacific's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Summit Pacific's net assets as at 31 March 2015 and Summit Pacific's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Summit Pacific had net current liabilities of HK$1,588,155 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Summit Pacific's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Summit Pacific as at 31 March 2015 and of the results of Summit Pacific for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 13 February 2015 (date of incorporation) to 31 March 2015** *HK$*
Revenue	*8*	–
Administrative expenses		–
Profit before tax	*9*	–
Income tax	*10*	–
Results and total comprehensive income for the period		–

Note: Earning per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2015 HK$
Non-current asset		
Deposit for the acquisition of investment property	12	1,975,655
Current liability		
Amount due to the shareholder	13	1,588,155
Net current liabilities		(1,588,155)
		387,500
Capital and reserves		
Share capital	14	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital	**Retained earning**	**Total**
	HK$	*HK$*	*HK$*
Issue of shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Summit Pacific was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Summit Pacific is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Summit Pacific. HK$ is the currency of the primary economic environment in which Summit Pacific operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Summit Pacific had net current liabilities of HK$1,588,155. This condition indicates the existence of material uncertainty which may cast significant doubt about Summit Pacific's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,588,155 as at 31 March 2015 until Summit Pacific is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Summit Pacific. The Company has agreed to provide adequate funds for Summit Pacific to meet its liabilities as they fall due. The sole director of Summit Pacific is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Summit Pacific be unable to continue as a going concern.

No statement of cash flows has been prepared by Summit Pacific as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Summit Pacific.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Summit Pacific has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "new and revised HKFRSs") issued by the HKICPA which are effective for the financial year beginning on 13 February 2015.

Summit Pacific has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

The sole director of Summit Pacific anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Summit Pacific.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Summit Pacific anticipates that the adoption of HKFRS 9 in the future will not significant impact on amounts reported in respect of Summit Pacific's financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Summit Pacific does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Summit Pacific's Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Summit Pacific does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* will have a material effect on Summit Pacific's Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Summit Pacific does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Summit Pacific's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Summit Pacific does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on Summit Pacific's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Summit Pacific's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Summit Pacific expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Summit Pacific reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Summit Pacific are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial liabilities

Financial liabilities including amount due to the shareholder are recognised in the statement of financial position when Summit Pacific becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Summit Pacific are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, the Summit Pacific's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

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

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

The following is the critical judgment that the sole director of Summit Pacific has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Summit Pacific, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Summit Pacific considers that Summit Pacific has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Summit Pacific manages its capital to ensure that Summit Pacific will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Summit Pacific's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Summit Pacific consists of amount due to the shareholder and equity attributable to owner of Summit Pacific, comprising share capital.

The sole director of Summit Pacific reviews the capital structure on a regular basis. As part of this review, the sole director of Summit Pacific considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Summit Pacific, Summit Pacific will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015
	HK$
Financial liability	
At amortised cost	1,588,155

(b) Financial risk management objectives and policies

Summit Pacific's financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of Summit Pacific manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Summit Pacific was exposed to liquidity risk. As at 31 March 2015, Summit Pacific had net current liabilities of HK$1,588,155. The ability of Summit Pacific to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Summit Pacific obtains financing deemed adequate by the management to finance its's operations. The factors that may doubt on Summit Pacific's ability to continue as a going concern and the measures taken are set out in note 2.

Summit Pacific's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which the Company can be required to pay, as at 31 March 2015, is repayable on demand.

8. REVENUE

Summit Pacific did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 13 February 2015 (date of incorporation) to 31 March 2015 *HK$*
Profit before tax has been arrived at after charging:	
Director's emoluments	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Summit Pacific is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of the sole director, Mr. Chiu Ngai Hung, who is also the chief executive of Summit Pacific, is as follows:

	Period from 13 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Summit Pacific:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Summit Pacific	–

12. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Summit Pacific entered into a provisional sale and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$1,975,655 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of Summit Pacific was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Summit Pacific.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	37,537,451

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Summit Pacific has the following related party transaction:

Compensation to key management personnel

The sole director of Summit Pacific considers that he is the only key management personnel of Summit Pacific and no remuneration has been paid to him by Summit Pacific and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Summit Pacific's business to which Summit Pacific was a party and in which the sole director of Summit Pacific had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$3,951,310 and HK$3,358,615 respectively have been paid by the shareholder on behalf of Summit Pacific in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Summit Pacific in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

ACCOUNTANTS' REPORT ON THE TARGET COMPANY B

信永中和 ShineWing

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Urban Stone Limited ("**Urban Stone**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 18 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the director of Urban Stone for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Urban Stone (the "**Acquisition**").

Urban Stone was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. Urban Stone is principally engaged in property holding. The addresses of the registered office and the principal place of business of Urban Stone are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Urban Stone as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Urban Stone since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to Urban Stone in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Urban Stone has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Urban Stone has prepared the financial statements of Urban Stone for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Urban Stone based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 18 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Urban Stone is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Urban Stone determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$1,979,107. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Urban Stone's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Urban Stone's net assets as at 31 March 2015 and Urban Stone's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Urban Stone had net current liabilities of HK$1,591,607 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Urban Stone's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Urban Stone as at 31 March 2015 and of the results of Urban Stone for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 18 February 2015 (date of incorporation) to 31 March 2015** *HK$*
Revenue	*8*	–
Administrative expenses		–
Profit before tax	*9*	–
Income tax	*10*	–
Results and total comprehensive income for the period		–

Note: Earning per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

		As at
		31 March 2015
	Notes	*HK$*
Non-current asset		
Deposit for the acquisition of investment property	*12*	1,979,107
Current liability		
Amount due to the shareholder	*13*	1,591,607
Net current liabilities		(1,591,607)
		387,500
Capital and reserves		
Share capital	*14*	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$*	Retained earning *HK$*	Total *HK$*
Issue of ordinary shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Urban Stone was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Urban Stone is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Urban Stone. HK$ is the currency of the primary economic environment in which Urban Stone operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Urban Stone had net current liabilities of HK$1,591,607. This condition indicates the existence of material uncertainty which may cast significant doubt about Urban Stone's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,591,607 as at 31 March 2015 until Urban Stone is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Urban Stone. The Company has agreed to provide adequate funds for Urban Stone to meet its liabilities as they fall due. The sole director of Urban Stone is therefore of the opinion that it is appropriate to prepare the financial statements on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Urban Stone be unable to continue as a going concern.

No statement of cash flows has been prepared by Urban Stone as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Urban Stone.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Urban Stone has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 18 February 2015.

Urban Stone has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.
[3] Effective for annual periods beginning on or after 1 January 2017.
[4] Effective for annual periods beginning on or after 1 January 2018.

The sole director of Urban Stone anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Urban Stone.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Urban Stone anticipates that the adoption of HKFRS 9 in the future will not significant impact on amounts reported in respect of Urban Stone's financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Urban Stone does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Urban Stone's Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Urban Stone does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* will have a material effect on Urban Stone's Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Urban Stone does not anticipate that the amendments included in the Annual Improvements to HKFRSs 2012-2014 Cycle will have a material effect on Urban Stone's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Urban Stone does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on Urban Stone's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Urban Stone's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Urban Stone expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Urban Stone reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Urban Stone are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial liabilities

Financial liabilities including amount due to the shareholder are recognised in the statement of financial position when Urban Stone becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Urban Stone are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, the Urban Stone's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

In the application of Urban Stone's accounting policies, which are described in note 4, the sole director of Urban Stone is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the critical judgment that the sole director of Urban Stone has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Urban Stone, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Urban Stone considers that Urban Stone has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Urban Stone manages its capital to ensure that Urban Stone will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Urban Stone's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Urban Stone consists of amount due to the shareholder and equity attributable to owner of Urban Stone, comprising share capital.

The sole director of Urban Stone reviews the capital structure on a regular basis. As part of this review, the sole director of Urban Stone considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Urban Stone, Urban Stone will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015 *HK$*
Financial liability	
At amortised cost	1,591,607

(b) Financial risk management objectives and policies

Urban Stone's financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of Urban Stone manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Urban Stone was exposed to liquidity risk. As at 31 March 2015, Urban Stone had net current liabilities of HK$1,591,607. The ability of Urban Stone to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Urban Stone obtains financing deemed adequate by the management to finance Urban Stone's operations. The factors that may doubt on Urban Stone's ability to continue as a going concern and the measures taken are set out in note 2.

Urban Stone's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which Urban Stone can be required to pay, as at 31 March 2015 is within one year or repayable on demand.

8. REVENUE

Urban Stone did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 18 February 2015 (date of incorporation) to 31 March 2015
	HK$
Profit before tax has been arrived at after charging:	
Director's emoluments	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Urban Stone is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of the sole director, Mr. Chiu Ngai Hung, who is also the chief executive of Urban Stone, is as follows:

	Period from 18 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Urban Stone:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Urban Stone	–

12. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Urban Stone entered into a provisional sale and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$1,979,107 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued:	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of Urban Stone was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Urban Stone.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	37,603,043

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Urban Stone has the following related party transaction:

Compensation to key management personnel

The sole director of Urban Stone considers that he is the only key management personnel of Urban Stone and no remuneration has been paid to him by Urban Stone and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Urban Stone's business to which Urban Stone was a party and in which the sole director of Urban Stone had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$3,958,214 and HK$3,364,483 respectively have been paid by the shareholder on behalf of Urban Stone in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Urban Stone in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

ACCOUNTANTS' REPORT ON THE TARGET COMPANY C

信永中和
ShineWing

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Spring Hero Development Limited ("**Spring Hero**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 18 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Spring Hero for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Spring Hero (the "**Acquisition**").

Spring Hero was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. Spring Hero is principally engaged in property holding. The addresses of the registered office and the principal place of business of Spring Hero are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Spring Hero as there is no statutory audit requirement under the relevant rules and regulations in its jurisdiction of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Spring Hero since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information of Spring Hero in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Spring Hero has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Spring Hero has prepared the financial statements of Spring Hero for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Spring Hero based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 18 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Spring Hero is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Spring Hero determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$2,007,180. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Spring Hero's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Spring Hero's net assets as at 31 March 2015 and Spring Hero's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Spring Hero had net current liabilities of HK$1,619,680 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Spring Hero's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Spring Hero as at 31 March 2015 and of the results of Spring Hero for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 18 February 2015 (date of incorporation) to 31 March 2015** *HK$*
Revenue	*8*	–
Administrative expenses		–
Profit before tax	*9*	–
Income tax	*10*	–
Results and total comprehensive income for the period		–

Note: Earning per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

		As at
		31 March 2015
	Notes	*HK$*
Non-current asset		
Deposit for the acquisition of investment property	*12*	2,007,180
Current liability		
Amount due to the shareholder	*13*	1,619,680
Net current liabilities		(1,619,680)
		387,500
Capital and reserves		
Share capital	*14*	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$*	Retained earning *HK$*	Total *HK$*
Issue of ordinary shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Spring Hero was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Spring Hero is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Spring Hero. HK$ is the currency of the primary economic environment in which Spring Hero operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Spring Hero had net current liabilities of HK$1,619,680. This condition indicates the existence of material uncertainty which may cast significant doubt about Spring Hero's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,619,680 as at 31 March 2015 until Spring Hero is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Spring Hero. The Company has agreed to provide adequate funds for Spring Hero to meet its liabilities as they fall due. The sole director of Spring Hero is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Spring Hero be unable to continue as a going concern.

No statement of cash flows has been prepared by Spring Hero as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Spring Hero.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Spring Hero has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 18 February 2015.

Spring Hero has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

1 Effective for annual periods beginning on or after 1 July 2014.
2 Effective for annual periods beginning on or after 1 January 2016.
3 Effective for annual periods beginning on or after 1 January 2017.
4 Effective for annual periods beginning on or after 1 January 2018.

The sole director of Spring Hero anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Spring Hero.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Spring Hero anticipates that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of Spring Hero's financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Spring Hero does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Spring Hero's Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Spring Hero does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* will have a material effect on Spring Hero's Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Spring Hero does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Spring Hero's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Spring Hero does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on Spring Hero's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Spring Hero's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Spring Hero expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Spring Hero reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Spring Hero are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial Liabilities

Financial liabilities are recognised in the statement of financial position when Spring Hero becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Spring Hero are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, Spring Hero's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

In the application of Spring Hero's accounting policies, which are described in note 4, the sole director of Spring Hero is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the critical judgment that the sole director of Spring Hero has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Spring Hero, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Spring Hero considers that Spring Hero has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Spring Hero manages its capital to ensure that Spring Hero will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Spring Hero's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Spring Hero consists of amount due to the shareholder and equity attributable to owner of Spring Hero, comprising share capital.

The sole director of Spring Hero reviews the capital structure on a regular basis. As part of this review, the sole director of Spring Hero considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Spring Hero, Spring Hero will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015
	HK$
Financial liability	
At amortised cost	1,619,680

(b) Financial risk management objectives and policies

Spring Hero's financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of Spring Hero manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Spring Hero was exposed to liquidity risk. As at 31 March 2015, Spring Hero had net current liabilities of HK$1,619,680. The ability of Spring Hero to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Spring Hero obtains financing deemed adequate by the management to finance Spring Hero's operations. The factors that may doubt on the Spring Hero's ability to continue as a going concern and the measures taken are set out in note 2.

Spring Hero's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which Spring Hero can be required to pay, as at 31 March 2015 is or repayable on demand.

8. REVENUE

Spring Hero did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 18 February 2015 (date of incorporation) to 31 March 2015
	HK$
Profit before tax has been arrived at after charging:	
Director's emoluments	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Spring Hero is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of the sole director, Mr. Chiu Ngai Hung, who is also the chief executive of Spring Hero, is as follows:

	Period from 18 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Spring Hero:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Spring Hero	–

12. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Spring Hero entered into a provisional sale and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$2,007,180 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued:	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of Spring Hero was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Spring Hero.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	38,136,389

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Spring Hero has the following related party transaction:

Compensation to key management personnel

The sole director of Spring Hero considers that he is the only key management personnel of Spring Hero and no remuneration has been paid to him by Spring Hero and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Spring Hero's business to which Spring Hero was a party and in which the sole director of Spring Hero had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$4,014,360 and HK$3,412,204 respectively have been paid by the shareholder on behalf of Spring Hero in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Spring Hero in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

ACCOUNTANTS' REPORT ON THE TARGET COMPANY D

信永中和 ShineWing

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Sharp Pick Ventures Limited ("**Sharp Pick Ventures**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 13 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Sharp Pick Ventures for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interest in Sharp Pick Ventures (the "**Acquisition**").

Sharp Pick Ventures was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. Sharp Pick Ventures is principally engaged in property holding. The addresses of the registered office and the principal place of business of Sharp Pick Ventures are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Sharp Pick Ventures as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Sharp Pick Ventures since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to Sharp Pick Ventures in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Sharp Pick Ventures has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Sharp Pick Ventures has prepared the financial statements of Sharp Pick Ventures for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Sharp Pick Ventures based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 13 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Sharp Pick Ventures is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Sharp Pick Ventures determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$2,004,280. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Sharp Pick Ventures's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Sharp Pick Ventures's net assets as at 31 March 2015 and Sharp Pick Ventures's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Sharp Pick Ventures had net current liabilities of HK$1,616,780 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Sharp Pick Ventures's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Sharp Pick Ventures as at 31 March 2015 and of the results of Sharp Pick Ventures for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Period from 13 February 2015 (date of incorporation) to 31 March 2015 HK$
Revenue	8	–
Administrative expenses		–
Profit before tax	9	–
Income tax expense	10	–
Results and total comprehensive income for the period		–

Note: Earning per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

		As at 31 March 2015
	Notes	*HK$*
Non-current asset		
Deposit for the acquisition of investment property	*12*	2,004,280
Current liability		
Amount due to the shareholder	*13*	1,616,780
Net current liabilities		(1,616,780)
		387,500
Capital and reserves		
Share capital	*14*	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$*	**Retained earning** *HK$*	**Total** *HK$*
Issue of ordinary shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Sharp Pick Ventures was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Sharp Pick Ventures is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Sharp Pick Ventures. HK$ is the currency of the primary economic environment in which Sharp Pick Ventures operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Sharp Pick Ventures had net current liabilities of HK$1,616,780. This condition indicates the existence of material uncertainty which may cast significant doubt about Sharp Pick Ventures' ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,616,780 as at 31 March 2015 until Sharp Pick Ventures is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Sharp Pick Ventures. The Company has agreed to provide adequate funds for Sharp Pick Ventures to meet its liabilities as they fall due. The sole director of Sharp Pick Ventures is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Sharp Pick Ventures be unable to continue as a going concern.

No statement of cash flows has been prepared by Sharp Pick Ventures as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Sharp Pick Ventures.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Sharp Pick Ventures has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 13 February 2015.

Sharp Pick Ventures has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.
[3] Effective for annual periods beginning on or after 1 January 2017.
[4] Effective for annual periods beginning on or after 1 January 2018.

The sole director of Sharp Pick Ventures anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Sharp Pick Ventures.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Sharp Pick Ventures anticipates that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of Sharp Pick Ventures' financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Sharp Pick Ventures does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Sharp Pick Ventures' Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Sharp Pick Ventures does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* will have a material effect on Sharp Pick Ventures' Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of the Sharp Pick Ventures does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the Sharp Pick Ventures's Financial Information.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Sharp Pick Ventures does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Sharp Pick Ventures's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Sharp Pick Ventures' liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Sharp Pick Ventures expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Sharp Pick Ventures reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Sharp Pick Ventures are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial liability

Financial liabilities are recognised in the statement of financial position when Sharp Pick Ventures becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Sharp Pick Ventures are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, Sharp Pick Ventures' obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

In the application of Sharp Pick Ventures' accounting policies, which are described in note 4, the sole director of Sharp Pick Ventures is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the critical judgment that the sole director of Sharp Pick Ventures has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Sharp Pick Ventures, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Sharp Pick Ventures considers that Sharp Pick Ventures has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Sharp Pick Ventures manages its capital to ensure that Sharp Pick Ventures will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Sharp Pick Ventures' overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Sharp Pick Ventures consists of amount due to the shareholder and equity attributable to owner of Sharp Pick Ventures, comprising share capital.

The sole director of Sharp Pick Ventures reviews the capital structure on a regular basis. As part of this review, the sole director of Sharp Pick Ventures considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Sharp Pick Ventures, Sharp Pick Ventures will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015 *HK$*
Financial liability	
At amortised cost	1,616,780

(b) Financial risk management objectives and policies

Sharp Pick Ventures' financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of Sharp Pick Ventures manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Sharp Pick Ventures was exposed to liquidity risk. As at 31 March 2015, Sharp Pick Ventures had net current liabilities of HK$1,616,780. The ability of Sharp Pick Ventures to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Sharp Pick Ventures obtains financing deemed adequate by the management to finance its operations. The factors that may doubt on Sharp Pick Ventures' ability to continue as a going concern and the measures taken are set out in note 2.

Sharp Pick Ventures' remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which Sharp Pick Ventures can be required to pay, as at 31 March 2015, is repayable on demand.

8. REVENUE

Sharp Pick Ventures did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 13 February 2015 (date of incorporation) to 31 March 2015 *HK$*
Profit before tax has been arrived at after charging:	
Director's emoluments	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Sharp Pick Ventures is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of the sole director, Mr. Chiu Ngai Hung, who is also the chief executive of Sharp Pick Ventures, is as follows:

	Period from 13 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Sharp Pick Ventures:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Sharp Pick Ventures	–

12. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Sharp Pick Ventures entered into a provisional sale and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$2,004,280 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued:	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of Sharp Pick Ventures was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Sharp Pick Ventures.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	38,081,394

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Sharp Pick Ventures has the following related party transaction:

Compensation to key management personnel

The sole director of Sharp Pick Ventures considers that he is the only key management personnel of Sharp Pick Ventures and no remuneration has been paid to him by Sharp Pick Ventures and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Sharp Pick Ventures's business to which Sharp Pick Ventures was a party and in which the sole director of Sharp Pick Ventures had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$4,008,560 and HK$3,407,283 respectively have been paid by the shareholder on behalf of Sharp Pick Ventures in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Sharp Pick Ventures in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

ACCOUNTANTS' REPORT ON THE TARGET COMPANY E

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Viva Star International Limited ("**Viva Star**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 13 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Viva Star for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Viva Star (the "**Acquisition**").

Viva Star was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. Viva Star is principally engaged in property holding. The addresses of the registered office and the principal place of business of Viva Star are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Viva Star as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Viva Star since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to Viva Star in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Viva Star has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Viva Star has prepared the financial statements of Viva Star for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Viva Star based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 13 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Viva Star is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Viva Star determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The sole director of the Company is responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$1,982,944. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Viva Star's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Viva Star's net assets as at 31 March 2015 and Viva Star's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Viva Star had net current liabilities of HK$1,595,444 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Viva Star's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Viva Star as at 31 March 2015 and of the results of Viva Star for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 13 February 2015 (date of incorporation) to 31 March 2015** *HK$*
Revenue	*8*	–
Administrative expenses		–
Profit before tax	*9*	–
Income tax	*10*	–
Results and total comprehensive income for the period		–

Note: Earnings per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

	Notes	**As at 31 March 2015** *HK$*
Non-current asset		
Deposit for the acquisition of investment property	*12*	1,982,944
Current liability		
Amount due to the shareholder	*13*	1,595,444
Net current liabilities		(1,595,444)
		387,500
Capital and reserves		
Share capital	*14*	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$*	**Retained earning** *HK$*	**Total** *HK$*
Issue of ordinary shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Viva Star was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

The principal activity of Viva Star is property holding. As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Viva Star. HK$ is the currency of the primary economic environment in which Viva Star operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Viva Star had net current liabilities of HK$1,595,444. This condition indicates the existence of material uncertainty which may cast significant doubt about Viva Star's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,595,444 as at 31 March 2015 until Viva Star is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Viva Star. The Company has agreed to provide adequate funds for Viva Star to meet its liabilities as they fall due. The sole director of Viva Star is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Viva Star be unable to continue as a going concern.

No statement of cash flows has been prepared by Viva Star as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Viva Star.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Viva Star has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 13 February 2015.

Viva Star has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.
[3] Effective for annual periods beginning on or after 1 January 2017.
[4] Effective for annual periods beginning on or after 1 January 2018.

The sole director of Viva Star anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Viva Star.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Viva Star anticipates that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of Viva Star's financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for "performance condition" and "service condition" which were previously included within the definition of "vesting condition". The amendments to HKFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Viva Star does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Viva Star's Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Viva Star does not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on Viva Star's Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Viva Star does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Viva Star's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of the Viva Star does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on the Viva Star's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Viva Star's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Viva Star expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Viva Star reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Viva Star are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial liabilities

Financial liabilities are recognised in the statement of financial position when Viva Star becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Viva Star are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, Viva Star's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

In the application of Viva Star's accounting policies, which are described in note 4, the sole director of Viva Star is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the crtical judgement that the sole director of Viva Star has made in the process of applying the entities' accounting policies and that has the most significant effect on the amounts recognised in the Financial Information

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Viva Star, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Viva Star considers that Viva Star has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Viva Star manages its capital to ensure that Viva Star will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Viva Star's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Viva Star consists of amount due to the shareholder and equity attributable to owner of Viva Star, comprising share capital.

The sole director of Viva Star reviews the capital structure on a regular basis. As part of this review, the sole director of Viva Star considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Viva Star, Viva Star will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015 *HK$*
Financial liability	
At amortised cost	1,595,444

(b) Financial risk management objectives and policies

Viva Star's financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of the Target company manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Viva Star was exposed to liquidity risk. As at 31 March 2015, Viva Star had net current liabilities of HK$1,595,444. The ability of Target Company to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Viva Star obtains financing deemed adequate by the management to finance Viva Star's operations. The factors that may doubt on the Company's ability to continue as a going concern and the measures taken are set out in note 2.

The Viva Star's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which the Company can be required to pay, as at 31 March 2015, is repayable on demand.

8. REVENUE

Viva Star did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 13 February 2015 (date of incorporation) to 31 March 2015 *HK$*
Profit before tax has been arrived at after charging:	
Director's emolument	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Viva Star is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of sole director, Mr. Chiu Ngai Hung, who is also the chief executive officer of Viva Star, is as follows:

	Period from 13 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Viva Star:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Viva Star	–

12. DEPOSIT FOR THE ACQUISITON OF INVESTMENT PROPERTY

In March 2015, Viva Star entered into a provisional sale and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$1,982,944 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued:	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of the Company was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Viva Star.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	37,675,938

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Viva Star has the following related party transactions:

Compensation to key management personnel

The sole director of Viva Star considers that he is the only key management personnel of Viva Star and no remuneration has been paid to him by Viva Star and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Viva Star's business to which Viva Star was a party and in which the sole director of Viva Star had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$3,965,888 and HK$3,371,005 respectively have been paid by the shareholder on behalf of Viva Star in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Viva Star in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

ACCOUNTANTS' REPORT ON THE TARGET COMPANY F

信永中和
ShineWing

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Main Trillion Limited ("**Main Trillion**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 13 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Main Trillion for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Main Trillion (the "**Acquisition**").

Main Trillion was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. Main Trillion is principally engaged in property holding. The addresses of the registered office and the principal place of business of Main Trillion are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Main Trillion as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. For the purpose of this report, we have, however, reviewed all relevant transactions of Main Trillion since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to Main Trillion in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Main Trillion has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Main Trillion has prepared the financial statements of Main Trillion for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Main Trillion based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 13 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Main Trillion is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Main Trillion determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$1,562,275. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Main Trillion's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Main Trillion's net assets as at 31 March 2015 and Main Trillion's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Main Trillion had net current liabilities of HK$1,174,775 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Main Trillion's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Main Trillion as at 31 March 2015 and of the results of Main Trillion for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	**Period from 13 February 2015 (date of incorporation) to 31 March 2015** *HK$*
Revenue	*8*	–
Administrative expenses		–
Profit before tax	*9*	–
Income tax expense	*10*	–
Results and total comprehensive income for the period		–

Note: Earning per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

	Notes	As at 31 March 2015 HK$
Non-current asset		
Deposit for the acquisition of investment property	12	1,562,275
Current liability		
Amount due to the shareholder	13	1,174,775
Net current liabilities		(1,174,775)
		387,500
Capital and reserves		
Share capital	14	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$*	Retained earning *HK$*	Total *HK$*
Issue of ordinary shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Main Trillion was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

The principal activity of Main Trillion is property holding. As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Main Trillion. HK$ is the currency of the primary economic environment in which Main Trillion operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Main Trillion had net current liabilities of HK$1,174,775. This condition indicates the existence of material uncertainty which may cast significant doubt about Main Trillion's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,174,775 as at 31 March 2015 until Main Trillion is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Main Trillion. The Company has agreed to provide adequate funds for Main Trillion to meet its liabilities as they fall due. The sole director of Main Trillion is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Main Trillion be unable to continue as a going concern.

No statement of cash flows has been prepared by Main Trillion as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Main Trillion.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Main Trillion has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 13 February 2015.

Main Trillion has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.
[3] Effective for annual periods beginning on or after 1 January 2017.
[4] Effective for annual periods beginning on or after 1 January 2018.

The sole director of Main Trillion anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Main Trillion.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of the Main Trillion anticipates that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of Main Trillion's financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Main Trillion does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Main Trillion's Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Main Trillion does not anticipate that the application of the amendments included in the Annual Improvements to HKFRSs 2011-2013 Cycle will have a material effect on Main Trillion's Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Main Trillion does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Main Trillion's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Main Trillion does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on Main Trillion's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Main Trillion's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Main Trillion expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Main Trillion reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Main Trillion are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial liabilities

Financial liabilities are recognised in the statement of financial position when Main Trillion becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Main Trillion are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, Main Trillion's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

In the application of Main Trillion's accounting policies, which are described in note 4, the sole director of Main Trillion is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the critical judgment that the sole director of Main Trillion has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Main Trillion, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Main Trillion considers that Main Trillion has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Main Trillion manages its capital to ensure that Main Trillion will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Main Trillion's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Main Trillion consists of amount due to the shareholder and equity attributable to owner of Main Trillion, comprising share capital and accumulated losses.

The sole director of Main Trillion reviews the capital structure on a regular basis. As part of this review, the sole director of Main Trillion considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Main Trillion, Main Trillion will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015 *HK$*
Financial liability	
At amortised cost	1,174,775

(b) Financial risk management objectives and policies

Main Trillion's financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of Main Trillion manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Main Trillion was exposed to liquidity risk. As at 31 March 2015, Main Trillion had net current liabilities of HK$1,174,775. The ability of Main Trillion to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Main Trillion obtains financing deemed adequate by the management to finance Main Trillion's operations. The factors that may doubt on Main Trillion's ability to continue as a going concern and the measures taken are set out in note 2.

Main Trillion's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which Main Trillion can be required to pay, as at 31 March 2015 is repayable on demand.

8. REVENUE

Main Trillion did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 13 February 2015 (date of incorporation) to 31 March 2015
	HK$
Profit before tax has been arrived at after charging:	
Director's emoluments	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Main Trillion is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of the sole director, Mr. Chiu Ngai Hung, who is also the chief executive of Main Trillion, is as follows:

	Period from 13 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Main Trillion:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Main Trillion	–

12. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Main Trillion entered into a provisional sales and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$1,562,275 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued:	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of Main Trillion was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Main Trillion.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	29,683,225

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Main Trillion has the following related party transaction:

Compensation to key management personnel

The sole director of Main Trillion considers that he is the only key management personnel of Main Trillion and no remuneration has been paid to him by Main Trillion and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Main Trillion's business to which Main Trillion was a party and in which the sole director of Main Trillion had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$3,124,550 and HK$2,655,868 respectively have been paid by the shareholder on behalf of Main Trillion in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Main Trillion in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

ACCOUNTANTS' REPORT ON THE TARGET COMPANY G

信永中和 ShineWing

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

20 July 2015

The Board of Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building No. 26 Harbour Road
Wanchai
Hong Kong

Dear Sirs,

INTRODUCTION

We set out below our report on the financial information of Cozy Sky Limited ("**Cozy Sky**"), which comprises the statement of financial position as at 31 March 2015, the statement of profit or loss and other comprehensive income and statement of changes in equity for the period from 18 February 2015 (date of incorporation) to 31 March 2015 (the "**Relevant Period**") and together with the notes thereto (the "**Financial Information**"). The Financial Information has been prepared by the sole director of Cozy Sky for inclusion in the Appendix II of the circular dated 20 July 2015 (the "**Circular**") issued by ABC Communications (Holdings) Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in Cozy Sky (the "**Acquisition**").

Cozy Sky was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. Cozy Sky is principally engaged in property holding. The addresses of the registered office and the principal place of business of Cozy Sky are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

At the date of this report, no audited financial statements have been prepared for Cozy Sky as there is no statutory audit requirement under the relevant rules and regulations in its jurisdictions of incorporation. For the purpose of the report, we have, however, reviewed all relevant transactions of Cozy Sky since its date of incorporation to 31 March 2015 and carried out such procedures as we considered necessary for inclusion of the financial information relating to Cozy Sky in the Financial Information.

BASIS OF PREPARATION

The Financial Information for the Relevant Period was prepared in accordance with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). Cozy Sky has adopted 31 March as its financial year end date.

For the purpose of this report, the sole director of Cozy Sky has prepared the financial statements of Cozy Sky for the Relevant Period in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**"). We have carried out independent audit procedures on the Underlying Financial Statements in accordance with Hong Kong Standards of Auditing issued by the HKICPA.

The Financial Information has been prepared by the sole director of Cozy Sky based on the Underlying Financial Statements and in accordance with the applicable disclosure provision of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

Due to the matters as described below, we were unable to conclude whether any adjustment is necessary to the Underlying Financial Statements for the period from 18 February 2015 (date of incorporation) to 31 March 2015 in preparing our report for inclusion in the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTOR AND REPORTING ACCOUNTANTS

The sole director of Cozy Sky is responsible for the preparation of the Financial Information that gives a true and fair view in accordance with HKFRSs issued by the HKICPA, the disclosure requirements of the Hong Kong Companies Ordinance and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), and for such internal control as the sole director of Cozy Sky determines is necessary to enable the preparation of the Financial Information that is free from material misstatements, whether due to fraud or error. The directors of the Company are responsible for the contents of the Circular in which this report is included.

Our responsibility is to form an independent opinion on the Financial Information based on our procedures and to report our opinion thereon to you.

BASIS FOR DISCLAIMER OF OPINION

As a basis for forming an opinion on the Financial Information, for the purpose of this report, we have examined the Underlying Financial Statements and have carried out such appropriate procedures as we considered necessary in accordance with Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" issued by the HKICPA.

LIMITATION OF AUDIT SCOPE

Included in the statement of financial position as at 31 March 2015 was deposit for the acquisition of investment property of HK$1,580,800. However we were unable to obtain sufficient appropriate audit evidence we consider necessary in order to ascertain if there is any objective evidence of impairment over the deposit paid.

There were no practical alternative audit procedures that we could perform to satisfy ourselves that the carrying amount of Cozy Sky's deposit paid as at 31 March 2015 was free from material misstatement. Any adjustment found to be necessary to the carrying amount of the deposit paid as at 31 March 2015 would affect Cozy Sky's net assets as at 31 March 2015 and Cozy Sky's results for the period then ended and the related note disclosures to the Financial Information.

FUNDAMENTAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

As explained in note 2 to the Financial Information, which indicates that Cozy Sky had net current liabilities of HK$1,193,300 as at 31 March 2015, the Financial Information have been prepared on a going concern basis, the validity of which is dependent upon future funding available. The Financial Information does not include any adjustments that would result from the unavailability of future funding. However, the uncertainty surrounding the outcome of future funding availability raises significant doubt about Cozy Sky's ability to continue as a going concern. We consider that the fundamental uncertainty in relation to whether the adoption of the going concern basis is appropriate is so extreme that we have disclaimed our opinion.

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an opinion. Accordingly, we do not express an opinion as to whether the Financial Information, for the purpose of this report, gives a true and fair view of the state of affairs of Cozy Sky as at 31 March 2015 and of the results of Cozy Sky for the Relevant Period.

I. FINANCIAL INFORMATION

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Notes	Period from 18 February 2015 (date of incorporation) to 31 March 2015 HK$
Revenue	8	–
Administrative expenses		–
Profit before tax	9	–
Income tax expense	10	–
Results and total comprehensive income for the period		–

Note: Earning per share information is not presented as such information is not considered meaningful in the context of this report.

STATEMENT OF FINANCIAL POSITION

		As at
		31 March 2015
	Notes	*HK$*
Non-current asset		
Deposit for the acquisition of investment property	*12*	1,580,800
Current liability		
Amount due to the shareholder	*13*	1,193,300
Net current liabilities		(1,193,300)
		387,500
Capital and reserves		
Share capital	*14*	387,500
Retained earning		–
		387,500

STATEMENT OF CHANGES IN EQUITY

	Share capital *HK$*	**Retained earning** *HK$*	**Total** *HK$*
Issue of ordinary shares upon incorporation *(note 14)*	387,500	–	387,500
Results and total comprehensive income for the period	–	–	–
At 31 March 2015	387,500	–	387,500

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL

Cozy Sky was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 18 February 2015. The addresses of its registered office and the principal place of business are NovaSage Chambers, P.O. Box 4389, Road Town, Tortola, British Virgin Islands and Room 2001, 20/F, Mongkok Commerical Centre, 16 Argyle Street, Mongkok, Kowloon, Hong Kong, respectively.

As at 31 March 2015, the Company was wholly owned by Mr. Chiu Ngai Hung. The principal activity of Cozy Sky is property holding.

The Financial Information is presented in Hong Kong dollars ("**HK$**"), which is also the functional currency of Cozy Sky. HK$ is the currency of the primary economic environment in which Cozy Sky operates.

2. BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

As at 31 March 2015, Cozy Sky had net current liabilities of HK$1,193,300. This condition indicates the existence of material uncertainty which may cast significant doubt about Cozy Sky's ability to continue as a going concern. The Financial Information has been prepared on a going concern basis, the validity of which depends upon the support of its shareholder whereas the shareholder has agreed not to demand for any repayment of the amount due to the shareholder of HK$1,193,300 as at 31 March 2015 until Cozy Sky is in a financial position to do so. Upon completion of the Acquisition, the validity of going concern basis will depend upon the financial support of the Company, at a level sufficient to finance the working capital requirements and capital commitment of Cozy Sky. The Company has agreed to provide adequate funds for Cozy Sky to meet its liabilities as they fall due. The sole director of Cozy Sky is therefore of the opinion that it is appropriate to prepare the Financial Information on a going concern basis. The Financial Information does not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should Cozy Sky be unable to continue as a going concern.

No statement of cash flows has been prepared by Cozy Sky as it does not hold a bank account nor any cash on hand. All cash transactions are processed by the shareholder on behalf of Cozy Sky.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

For the purpose of preparing and presenting the Financial Information for the Relevant Period, Cozy Sky has consistently applied all of the new and revised Hong Kong Accounting Standards ("**HKASs**"), HKFRSs, amendments and interpretations (hereinafter collectively referred to as "**new and revised HKFRSs**") issued by the HKICPA which are effective for the financial year beginning on 18 February 2015.

Cozy Sky has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

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

[1] Effective for annual periods beginning on or after 1 July 2014.
[2] Effective for annual periods beginning on or after 1 January 2016.
[3] Effective for annual periods beginning on or after 1 January 2017.
[4] Effective for annual periods beginning on or after 1 January 2018.

The sole director of Cozy Sky anticipates that, except as described below, the application of other new and revised HKFRSs will have no material impact on the results and the financial position of Cozy Sky.

HKFRS 9 (2014) Financial Instruments

HKFRS 9 issued in 2009 introduces new requirements for the classification and measurement of financial assets. HKFRS 9 was amended in 2010 to include the requirements for the classification and measurement of financial liabilities and for derecognition. In 2013, HKFRS 9 was further amended to bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements. A finalised version of HKFRS 9 was issued in 2014 which incorporated all requirements in previous years with limited amendments to the classification and measurement by introducing a "fair value through other comprehensive income" ("**FVTOCI**") measurement category for certain financial assets. The finalised version of HKFRS 9 also introduces an "expected credit loss" model for impairment assessments.

Key requirements of HKFRS 9 (2014) are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair values at the end of subsequent reporting periods. In addition, under HKFRS 9 (2014), entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 (2014) requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

- In the aspect of impairment assessments, the impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit were added. Those requirements eliminate the threshold that was in HKAS 39 for the recognition of credit losses. Under the impairment approach in HKFRS 9 (2014) it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, expected credit losses and changes in those expected credit losses should always be accounted for. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition and, consequently, more timely information is provided about expected credit losses.

- HKFRS 9 (2014) introduces a new model which is more closely aligns hedge accounting with risk management activities undertaken by companies when hedging their financial and non-financial risk exposures. As a principle-based approach, HKFRS 9 (2014) looks at whether a risk component can be identified and measured and does not distinguish between financial items and non-financial items. The new model also enables an entity to use information produced internally for risk management purposes as a basis for hedge accounting. Under HKAS 39, it is necessary to exhibit eligibility and compliance with the requirements in HKAS 39 using metrics that are designed solely for accounting purposes. The new model also includes eligibility criteria but these are based on an economic assessment of the strength of the hedging relationship. This can be determined using risk management data. This should reduce the costs of implementation compared with those for HKAS 39 hedge accounting because it reduces the amount of analysis that is required to be undertaken only for accounting purposes.

HKFRS 9 (2014) will become effective for annual periods beginning on or after 1 January 2018 with early application permitted.

The sole director of Cozy Sky anticipates that the adoption of HKFRS 9 in the future will not have significant impact on amounts reported in respect of Cozy Sky's financial liabilities.

Annual Improvements to HKFRSs 2010-2012 Cycle

The *Annual Improvements to HKFRSs 2010-2012 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to the basis for conclusions of HKFRS 13 clarify that the issue of HKFRS 13 and consequential amendments to HKAS 39 and HKFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial.

The amendments to HKAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The sole director of Cozy Sky does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2010-2012 Cycle* will have a material effect on Cozy Sky's Financial Information.

Annual Improvements to HKFRSs 2011-2013 Cycle

The *Annual Improvements to HKFRSs 2011-2013 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, HKAS 39 or HKFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within HKAS 32.

The amendments to HKAS 40 clarify that HKAS 40 and HKFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of HKAS 40; and

(b) the transaction meets the definition of a business combination under HKFRS 3.

The sole director of Cozy Sky does not anticipate that the application of the amendments included in the *Annual Improvements to HKFRSs 2011-2013 Cycle* will have a material effect on Cozy Sky's Financial Information.

Annual Improvements to HKFRSs 2012-2014 Cycle

The *Annual Improvements to HKFRSs 2012-2014 Cycle* include a number of amendments to various HKFRSs, which are summarised below.

The amendments to HKFRS 7 clarify that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in HKFRS 7 in order to assess whether the additional disclosures for any continuing involvement in a transferred asset that is derecognised in its entirety are required. Besides, the amendments to HKFRS 7 also clarify that disclosures in relation to offsetting financial assets and financial liabilities are not required in the condensed interim financial report, unless the disclosures provide a significant update to the information reported in the most recent annual report.

The sole director of Cozy Sky does not anticipate that the amendments included in the *Annual Improvements to HKFRSs 2012-2014 Cycle* will have a material effect on Cozy Sky's Financial Information.

Amendments to HKAS 1 *Disclosure Initiative*

The amendments clarify that companies should use professional judgement in determining what information as well as where and in what order information is presented in the financial statements. Specifically, an entity should decide, taking into consideration all relevant facts and circumstances, how it aggregates information in the financial statements, which include the notes. An entity does not require to provide a specific disclosure required by a HKFRS if the information resulting from that disclosure is not material. This is the case even if the HKFRS contain a list of specific requirements or describe them as minimum requirements.

Besides, the amendments provide some additional requirements for presenting additional line items, headings and subtotals when their presentation is relevant to an understanding of the entity's financial position and financial performance respectively. Entities, in which they have investments in associates or joint ventures, are required to present the share of other comprehensive income of associates and joint ventures accounted for using the equity method, separated into the share of items that (i) will not be reclassified subsequently to profit or loss; and (ii) will be reclassified subsequently to profit or loss when specific conditions are met.

Furthermore, the amendments clarify that:

(i) an entity should consider the effect on the understandability and comparability of its financial statements when determining the order of the notes; and

(ii) significant accounting policies are not required to be disclosed in one note, but instead can be included with related information in other notes.

The amendments will become effective for financial statements with annual periods beginning on or after 1 January 2016. Earlier application is permitted.

The sole director of Cozy Sky does not anticipate that the application of Amendments to HKAS 1 in the future may have a material impact on Cozy Sky's Financial Information.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The Financial Information has been prepared on the historical cost basis.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The principal accounting policies are set out below:

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Cozy Sky's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liabilities is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which Cozy Sky expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred income tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deposit for the acquisition of investment property

Deposit for the acquisition of investment property is initially recognised at cost, less impairment loss, if any.

At the end of the reporting period, Cozy Sky reviews the carrying amount of the deposit for the acquisition of investment property to determine whether there is any indication that the deposit has suffered an impairment loss. If any such indication exists, the recoverable amount of the deposit is estimated in order to determine the extent of the impairment loss, if any.

Recoverable amount is the higher of fair value less costs of disposal and 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Financial instruments

Debt and equity instruments issued by Cozy Sky are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and as equity instrument.

Financial liabilities

Financial liabilities are recognised in the statement of financial position when Cozy Sky becomes a party to the contractual provisions of the instrument.

Financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Financial liabilities including amount due to the shareholder are subsequently stated at amortised cost, using the effective interest method, unless the effect of discounting would be immaterial, in which case they are stated at cost.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by Cozy Sky are recognised at the proceeds received, net of direct issue costs.

Derecognition

A financial liability is derecognised when, and only when, Cozy Sky's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

5. CRITICAL ACCOUNTING JUDGEMENT

In the application of Cozy Sky's accounting policies, which are described in note 4, the sole director of Cozy Sky is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The following is the critical judgment that the sole director of Cozy Sky has made in the process of applying the entity's accounting policies and that has the most significant effect on the amounts recognised in the Financial Information.

Going concern consideration

The assessment of the going concern assumption involves making a judgement by the sole director of Cozy Sky, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The sole director of Cozy Sky considers that the Cozy Sky has the ability to continue as a going concern and the major events or conditions, which may give rise to liquidity risk, that individually or collectively may cast significant doubt about the going concern assumption are set out in note 2.

6. CAPITAL RISK MANAGEMENT

Cozy Sky manages its capital to ensure that Cozy Sky will be able to continue as a going concern while maximising the return to the shareholder through the optimisation of the debt and equity balance. Cozy Sky's overall strategy remains unchanged throughout the Relevant Period.

The capital structure of Cozy Sky consists of amount due to the shareholder and equity attributable to owner of Cozy Sky, comprising share capital.

The sole director of Cozy Sky reviews the capital structure on a regular basis. As part of this review, the sole director of Cozy Sky considers the cost of capital and the risks associated with each class of capital. Based on the recommendations of the sole director of Cozy Sky, Cozy Sky will balance its overall capital structure through the payment of dividends, issuance of new shares as well as the issue of new debts or the repayment of existing debts.

7. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	As at 31 March 2015
	HK$
Financial liability	
At amortised cost	1,193,300

(b) Financial risk management objectives and policies

Cozy Sky's financial instrument represents amount due to the shareholder. Details of the amount due to the shareholder are disclosed in note 13 to the Financial Information. The risk associated with this financial instrument includes liquidity risk. The policies on how to mitigate this risk are set out below. Management of Cozy Sky manages and monitors this exposure to ensure appropriate measures are implemented on a timely and effective manner.

Liquidity risk

Cozy Sky was exposed to liquidity risk. As at 31 March 2015, Cozy Sky had net current liabilities of HK$1,193,300. The ability of Cozy Sky to operate as a going concern depended on the ongoing support from its shareholder and/or the Company.

In the management of the liquidity risk, Cozy Sky obtains financing deemed adequate by the management to finance Cozy Sky's operations. The factors that may doubt on Cozy Sky's ability to continue as a going concern and the measures taken are set out in note 2.

Cozy Sky's remaining contractual maturity for its non-derivative financial liabilities, based on the undiscounted cash flows of financial liabilities on the earliest date on which Cozy Sky can be required to pay, as at 31 March 2015 is repayable on demand.

8. REVENUE

Cozy Sky did not generate any revenue from its activities during the Relevant Period.

9. PROFIT BEFORE TAX

	Period from 18 February 2015 (date of incorporation) to 31 March 2015
	HK$
Profit before tax has been arrived at after charging:	
Director's emoluments	–
Auditor's remuneration	–

10. INCOME TAX EXPENSE

No provision for income tax has been made as Cozy Sky is not subject to any income tax under the laws and regulations of the BVI.

No provision for Hong Kong Profits Tax has been made as no income has been derived from Hong Kong during the Relevant Period.

11. DIRECTOR'S REMUNERATION

The remuneration of the sole director, Mr. Chiu Ngai Hung, who is also the chief executive of Cozy Sky, is as follows:

	Period from 18 February 2015 (date of incorporation) to 31 March 2015
	HK$
Emoluments paid or receivable in respect of a person's services as a director of Cozy Sky:	
Fees	–
Contributions to retirement benefits schemes	–
Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of Cozy Sky	–

12. DEPOSIT FOR THE ACQUISITION OF INVESTMENT PROPERTY

In March 2015, Cozy Sky entered into a provisional sale and purchase agreement for the acquisition of a property (the "**Property**") in Hong Kong and a non-refundable deposit of HK$1,580,800 was paid in such respect.

13. AMOUNT DUE TO THE SHAREHOLDER

The amount is unsecured, interest-free and repayable on demand.

14. SHARE CAPITAL

	As at 31 March 2015
Authorised and issued:	
50,000 ordinary shares of United States dollars ("**US$**") 1 each	US$50,000
Equivalent to HK$	HK$387,500

Upon incorporation, the authorised share capital of Cozy Sky was US$50,000, equivalent to HK$387,500, divided into 50,000 ordinary shares of US$1 each, of which 50,000 ordinary shares of US$1 each were allotted and issued at par for the initial working capital of Cozy Sky.

15. COMMITMENT

	As at 31 March 2015
	HK$
Capital expenditure in respect of the acquisition of investment property contracted for but not provided in the Financial Information	30,035,200

16. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the Financial Information, Cozy Sky has the following related party transaction:

Compensation to key management personnel

The sole director of Cozy Sky considers that he is the only key management personnel of Cozy Sky and no remuneration has been paid to him by Cozy Sky and its related companies during the Relevant Period.

Director's material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to Cozy Sky's business to which Cozy Sky was a party and in which the sole director of Cozy Sky had a material interest, whether directly or indirectly, subsisted at the end of the reporting period or at any time during the reporting period.

17. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, formal sale and purchase agreement for the acquisition of the Property was entered on 11 May 2015. Further deposits and stamp duty of HK$3,161,600 and HK$3,358,615 respectively have been paid by the shareholder on behalf of Cozy Sky in respect of the acquisition of the Property.

III. SUBSEQUENT FINANCIAL STATEMENTS

As at the date of this report, no audited financial statements have been prepared by Cozy Sky in respect of any period subsequent to 31 March 2015.

Yours faithfully,

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number: P05044

Hong Kong

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

The following is an illustrative and unaudited pro forma assets and liabilities of ABC Communications (Holdings) Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") and Cozy Sky Limited, Main Trillion Limited, Sharp Pick Ventures Limited, Spring Hero Developments Limited, Summit Pacific Group Limited, Urban Stone Limited and Viva Star International Limited (hereinafter collectively referred to as the "**Target Companies**") (the Target Companies together with the Group hereinafter referred to as the "**Enlarged Group**") (the "**Unaudited Pro Forma Financial Information**"), which have been prepared on the basis as set out in the notes below to illustrate the effect of the proposed acquisition of the entire equity interests in the Target Companies (the "**Acquisition**").

The Unaudited Pro Forma Financial Information has been prepared in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), for the purpose of illustrating the effect of the Acquisition as if the Acquisition had been completed on 31 March 2015.

The Unaudited Pro Forma Financial Information has been prepared by directors of the Company for illustrative purpose only and based on a number of assumptions, estimates and uncertainties. Because of its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the financial position of the Enlarged Group following the completion of the Acquisition or any future date.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information as set out in Company's published results announcement for the year ended 31 March 2015 and the respective accountant's report of the Target Companies as set out in Appendix II of the circular and other financial information included elsewhere in the circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group as at 31 March 2015	The Target Companies as at 31 March 2015	Pro forma adjustment	The Target Companies as at 31 March 2015	Sub-total	Pro forma adjustments			The Enlarged Group as at 31 March 2015
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*			*(Note 4)*	*(Note 5)*	*(Note 6)*	
Non-current assets									
Property, plant and equipment	68,278,836	–	–	–	68,278,836	–	–	–	68,278,836
Investment properties	–	–	261,844,881	261,844,881	261,844,881	–	36,669,059	–	298,513,940
Investment in subsidiaries	–	–	–	–	–	39,381,559	(39,381,559)	–	–
Prepaid lease payments	1,426,040	–	–	–	1,426,040	–	–	–	1,426,040
Intangible assets	351,189,399	–	–	–	351,189,399	–	–	–	351,189,399
Prepayments for exploration and evaluation activities	13,521,090	–	–	–	13,521,090	–	–	–	13,521,090
Prepayments for purchase of property, plant and equipment	1,274,000	–	–	–	1,274,000	–	–	–	1,274,000
Deposits for acquisition of investment properties	–	13,092,241	(13,092,241)	–	–	–	–	–	–
Available-for-sale investment	60,000,000	–	–	–	60,000,000	–	–	–	60,000,000
	495,689,365	13,092,241		261,844,881	757,534,246				794,203,305
Current assets									
Trade receivables	3,572,971	–	–	–	3,572,971	–	–	–	3,572,971
Other receivables, deposits and prepayments	8,184,405	–	–	–	8,184,405	–	–	–	8,184,405
Amounts due from subsidiaries	–	–	–	–	–	259,132,381	–	(259,132,381)	–
Held for trading investment	12,948	–	–	–	12,948	–	–	–	12,948
Bank balances and cash	97,858,042	–	–	–	97,858,042	(31,039,394)	–	–	66,818,648
	109,628,366	–		–	109,628,366				78,588,972

	The Group as at 31 March 2015	The Target Companies as at 31 March 2015	Pro forma adjustment	The Target Companies as at 31 March 2015	Sub-total	Pro forma adjustments			The Enlarged Group as at 31 March 2015
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
	(Note 1)	*(Note 2)*	*(Note 3)*			*(Note 4)*	*(Note 5)*	*(Note 6)*	
Current liabilities									
Trade and other payables	22,402,614	–	–	–	22,402,614	–	–	–	22,402,614
Bank borrowing	7,078,213	–	–	–	7,078,213	–	–	–	7,078,213
Advance subscriptions and licence fees received	2,162,767	–	–	–	2,162,767	–	–	–	2,162,767
Amounts due to a shareholder	–	10,379,741	248,752,640	259,132,381	259,132,381	–	–	(259,132,381)	–
Amount due to non-controlling shareholders of subsidiaries	5,045,836	–	–	–	5,045,836	–	–	–	5,045,836
Consideration payable	–	–	–	–	–	267,474,546	–	–	267,474,546
Tax payable	2,220,401	–	–	–	2,220,401	–	–	–	2,220,401
	38,909,831	10,379,741		259,132,381	298,042,212				306,384,377
Net current assets (liabilities)	70,718,535	(10,379,741)		(259,132,381)	(188,413,846)				(227,795,405)
Total assets less current liabilities	566,407,900	2,712,500		2,712,500	569,120,400				565,087,900
Non-current liabilities									
Provision for reinstatement costs	796,635	–	–	–	796,635	–	–	–	796,635
Bonds	65,229,000	–	–	–	65,229,000	–	–	–	65,229,000
Deferred tax liabilities	77,169,039	–	–	–	77,169,039	–	–	–	77,169,039
	143,194,674	–		–	143,194,674				143,194,674
Net assets	423,213,226	2,712,500		2,712,500	425,925,726	–	(2,712,500)	–	423,213,226

Notes:

1. The financial information of the Group is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 March 2015 as set out in the Company's published results announcement for the year ended 31 March 2015.

2. The assets and liabilities of the Target Companies as at 31 March 2015, which are extracted from the respective accountants' reports as set out in Appendix II, are combined for presentation purpose as follows:

	Cozy Sky Limited	Main Trillion Limited	Sharp Pick Ventures Limited	Spring Hero Developments Limited	Summit Pacific Group Limited	Urban Stone Limited	Viva Star International Limited	The Target Companies
	HK$	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*	*HK$*
Non-current asset								
Deposit for acquisition of investment property	1,580,800	1,562,275	2,004,280	2,007,180	1,975,655	1,979,107	1,982,944	13,092,241
Current liability								
Amount due to the shareholder	1,193,300	1,174,775	1,616,780	1,619,680	1,588,155	1,591,607	1,595,444	10,379,741
Net current liabilities	(1,193,300)	(1,174,775)	(1,616,780)	(1,619,680)	(1,588,155)	(1,591,607)	(1,595,444)	(10,379,741)
Net assets	387,500	387,500	387,500	387,500	387,500	387,500	387,500	2,712,500

3. The pro forma adjustment represents the recognition of the cost of the acquisition of investment properties by the Target Companies as if Acquisition was completed on 31 March 2015.

   As further disclosed in the section headed "Letter from the Board" of this circular, the Target Companies entered into seven provisional agreements for the sale and purchase (collectively referred to as the "**Provisional Agreements**") and seven formal sale and purchase agreements (collectively referred to as the "**Formal Sale and Purchase Agreements**") with the original vendor, Excess Gain Company Limited, in March 2015 for the purchase of 12/F., 13/F., 15/F., 16/F., 21/F., 22/F. and 23/F., Henan Building, Nos. 90 & 92 Jaffe Road, Nos.15-19 Luard Road, Wanchai, Hong Kong (the "**Target Properties**") for a total consideration of HK$261,844,881 (the "**Properties Consideration**"). Pursuant to the terms of the Provisional Agreements, initial deposits of HK$13,092,241 in aggregate were paid by the Target Companies upon signing of the Provisional Agreements. Such deposits were mainly financed by shareholder's loans in aggregate of HK$10,379,741. Subsequent to the signing of the Formal Sale and Purchase Agreements, further deposits, financed by shareholder's loans, in aggregate of HK$26,184,482 were paid by the Target Companies.

   Upon the completion of the acquisition of the Target Properties, the total sum of the initial deposits paid of HK$13,092,241 and the remaining part of the Properties Consideration of HK$248,752,640, is accounted for as investment properties of the Target Companies as the properties are held to earn rentals.

   In accordance with the sale and purchase agreement in relation to the Acquisition (the "**Agreement**"), the Target Companies are not allowed to obtain any financing, other than loan from the sole shareholder of the Target Companies, Mr. Chiu Ngai Hung, to finance the Properties Consideration. As such, the remaining part of the Properties Consideration of HK$248,752,640 will be financed by shareholder's loans to the Target Companies provided that the Target Companies do not have sufficient working capital for settlement of remaining part of the Properties Consideration.

4. The pro forma adjustment represents the recognition of the investment costs in the Target Companies by the Group.

   Pursuant to the Agreement, the Group will acquire the entire equity interests in the Target Companies as well as the entire shareholder's loans (in aggregate of HK$259,132,381 for the purpose of this Unaudited Pro Forma Financial Information) at a total consideration of HK$297,193,940 (the "**Consideration**"). The Consideration will be satisfied in cash by the following two installments:

   (a) A refundable deposit of HK$29,719,394 in cash as an initial consideration upon signing of the Agreement; and

   (b) The remaining part of the Consideration is capped at HK$267,474,546 and is subject to downward adjustment if the fair value of the Target Properties is less than HK$297,193,940, in aggregate. The Consideration shall be adjusted to cater for the deficit in value of the Target Properties.

   Based on the valuation report on the Target Properties as set out in Appendix V to the circular, the fair value of the Target Properties as at 30 April 2015 is HK$300,000,000, in aggregate. As such, no adjustment is required to be made to the Consideration.

   Prior to the Acquisition, the Target Companies have not yet in operation, and it therefore does not constitute a business. This Acquisition is accounted for as acquisition of assets by the Company and the estimated transaction costs of HK$1,320,000 is therefore treated as part of the investment cost in the Target Companies.

   On completion of the acquisition, the aggregate amounts due to the sole shareholder of the Target Companies of HK$259,132,381 in the respective statements of financial position of the Target Companies will become amounts due to Ban Loong Property Investment Limited, the then immediate holding company of the Target Companies and a wholly owned subsidiary of the Company. The sum of the remaining balance of the Consideration and estimated transaction costs of HK$39,381,559, is recognised as the costs of investments in subsidiaries.

5. The pro forma adjustment represents the adjustment to eliminate the Group's investment cost of HK$39,389,559 in the Target Companies against the aggregate share capital of the Target Companies of HK$2,712,500.

   On consolidation of the Target Companies by the Group, the excess of investment cost in the Target Companies over the aggregate share capital of the Target Companies of HK36,669,059 is treated as cost of acquiring the Target Properties as the Target Companies do not have any assets and liabilities other than the Target Properties.

6. The pro forma adjustment represents the elimination of the amounts due from subsidiaries with the amounts due to the shareholder of the Target Companies upon the completion of the Acquisition.

7. Apart from the above, no adjustments have been made to the unaudited pro forma assets and liabilities of the Enlarged Group to reflect any trading results or other transactions of the Enlarged Group entered into subsequent to 31 March 2015 where applicable.

8. The above pro forma consolidated statement of assets and liabilities of the Enlarged Group was prepared on the assumption that the Target Properties will be acquired by the Target Companies prior to the completion of the Acquisition. In accordance with the Agreement, the sole shareholder of the Target Companies is responsible for financing the remaining consideration in relation to the Target Properties of HK$248,752,640. In case the acquisition of the Target Properties has not yet been completed as of the date of completion of the Acquisition, the Group is entitled to hold up the outstanding sums payable for the acquisition of the Target Properties from the Consideration. Therefore, the amount payable for the Consideration on completion of the Acquisition may be less than HK$297,193,940 and such amount will be treated as the deposits for acquisition of investment properties on consolidation as the Target Companies do not have any assets and liabilities other than the deposits paid.

   Assuming the sole shareholder of the Target Companies has not settled the remaining part of the Properties Consideration of HK$222,568,158 (being the remaining consideration of HK$248,752,640 less the further deposits paid of HK$26,184,482), the unaudited pro forma consideration payable, investment properties and deposits for the acquisition of investment properties of the Enlarged Group as at 31 March 2015 would be amounted to HK$44,906,388, nil and HK$75,945,782, respectively.

The following is the text of report, prepared for the purpose of incorporation in this circular, received from the independent reporting accountants, SHINEWING (HK) CPA Limited, Certified Public Accountants, Hong Kong.

ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

信永中和 ShineWing

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

20 July 2015

The Directors
ABC Communications (Holdings) Limited
Room 2709-10, 27/F.
China Resources Building
No.26 Harbour Road
Wanchai, Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of ABC Communications (Holdings) Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") by the directors of the Company for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma statement of assets and liabilities as at 31 March 2015, and related notes as set out on pages III-1 to III-5 of the circular in connection with the proposed acquisition of the entire equity interests in Cozy Sky Limited, Main Trillion Limited, Sharp Pick Ventures Limited, Spring Hero Developments Limited, Summit Pacific Group Limited, Urban Stone Limited and Viva Star International Limited (hereinafter collectively referred to as the "**Target Companies**") (together with the Group hereinafter collectively referred to as the "**Enlarged Group**") (the "**Acquisition**") issued by the Company dated 20 July 2015 (the "**Circular**"). The applicable criteria on the basis of which the directors of the Company have compiled the pro forma financial information are described on pages III-1 to III-5 of the Circular.

The pro forma financial information has been compiled by the directors of the Company to illustrate the impact of the Acquisition on the Group's financial position at 31 March 2015 as if the Acquisition had taken place at 31 March 2015. As part of this process, information about the Group's financial position has been extracted by the directors of the Company from the Group's consolidated statement of financial position as at 31 March 2015 on which a final results announcement has been published.

Directors' Responsibility for the Pro Forma Financial Information

The directors of the Company are responsible for compiling the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the

Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("**AG7**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

REPORTING ACCOUNTANT'S RESPONSIBILITIES

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant complies with ethical requirements and plans and performs procedures to obtain reasonable assurance about whether the directors of the Company have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

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

The purpose of pro forma financial information included in the Circular is solely to illustrate the impact of the Acquisition on unadjusted financial information of the Group as if the Acquisition 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 Acquisition at 31 March 2015 would have been as presented.

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

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

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

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

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

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

Opinion

In our opinion:

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

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

(c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

SHINEWING (HK) CPA Limited
Certified Public Accountants
Pang Wai Hang
Practising Certificate Number P05044

Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS OF THE TARGET COMPANIES

Target Company A

Business Overview

Target Company A was incorporated in the British Virgin Islands (the "**BVI**") with limited liability on 13 February 2015.

The principal activity of Target Company A is property holding.

The Accountant's Report of the Target Company A for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company A did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company A had non-current assets of HK$1,975,655, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,588,155, which is unsecured, interest-free and repayable on demand. The total equity of Target Company A was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company A also had a remaining balance of HK$37,537,451 to be paid for the acquisition of investment property which constitutes a commitment of Target Company A.

Pledge of assets

As at 31 March 2015, Target Company A did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company A did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company A as at 31 March 2015 was approximately 80.4%.

Foreign Currency Exposure

As Target Company A's monetary assets and liabilities are all denominated in HK$ and Target Company A conducts its business transactions only in HK$, the currency risk of Target Company A is remote and Target Company A does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company A did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company A did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

Target Company B

Business Overview

Target Company B was incorporated in the BVI with limited liability on 18 February 2015.

The principal activity of Target Company B is property holding.

The Accountant's Report of the Target Company B for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company B did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company B had non-current assets of HK$1,979,107, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,591,607, which is unsecured, interest-free and repayable on demand. The total equity of Target Company B was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company B also had a remaining balance of HK$37,603,043 to be paid for the acquisition of investment property which constitutes a commitment of Target Company B.

Pledge of assets

As at 31 March 2015, Target Company B did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company B did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company B as at 31 March 2015 was approximately 80.4%.

Foreign Currency Exposure

As Target Company B's monetary assets and liabilities are all denominated in HK$ and Target Company B conducts its business transactions only in HK$, the currency risk of Target Company B is remote and Target Company B does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company B did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company B did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

Target Company C

Business Overview

Target Company C was incorporated in the BVI with limited liability on 18 February 2015.

The principal activity of Target Company C is property holding.

The Accountant's Report of the Target Company C for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company C did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company C had non-current assets of HK$2,007,180, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,619,680, which is unsecured, interest-free and repayable on demand. The total equity of Target Company C was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company C also had a remaining balance of HK$38,136,389 to be paid for the acquisition of investment property which constitutes a commitment of Target Company C.

Pledge of assets

As at 31 March 2015, Target Company C did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company C did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company C as at 31 March 2015 was approximately 80.7%.

Foreign Currency Exposure

As Target Company C's monetary assets and liabilities are all denominated in HK$ and Target Company C conducts its business transactions only in HK$, the currency risk of Target Company C is remote and Target Company C does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company C did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company C did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

Target Company D

Business Overview

Target Company D was incorporated in the BVI with limited liability on 13 February 2015.

The principal activity of Target Company D is property holding.

The Accountant's Report of the Target Company D for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company D did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company D had non-current assets of HK$2,004,280, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,616,780, which is unsecured, interest-free and repayable on demand. The total equity of Target Company D was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company D also had a remaining balance of HK$38,081,394 to be paid for the acquisition of investment property which constitutes a commitment of Target Company D.

Pledge of assets

As at 31 March 2015, Target Company D did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company D did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company D as at 31 March 2015 was approximately 80.7%.

Foreign Currency Exposure

As Target Company D's monetary assets and liabilities are all denominated in HK$ and Target Company D conducts its business transactions only in HK$, the currency risk of Target Company D is remote and Target Company D does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company D did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company D did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

Target Company E

Business Overview

Target Company E was incorporated in the BVI with limited liability on 13 February 2015.

The principal activity of Target Company E is property holding.

The Accountant's Report of the Target Company E for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company E did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company E had non-current assets of HK$1,982,944, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,595,444, which is unsecured, interest-free and repayable on demand. The total equity of Target Company E was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company E also had a remaining balance of HK$37,675,938 to be paid for the acquisition of investment property which constitutes a commitment of Target Company E.

Pledge of assets

As at 31 March 2015, Target Company E did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company E did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company E as at 31 March 2015 was approximately 80.5%.

Foreign Currency Exposure

As Target Company E's monetary assets and liabilities are all denominated in HK$ and Target Company E conducts its business transactions only in HK$, the currency risk of Target Company E is remote and Target Company E does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company E did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company E did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

Target Company F

Business Overview

Target Company F was incorporated in the BVI with limited liability on 13 February 2015.

The principal activity of Target Company F is property holding.

The Accountant's Report of the Target Company F for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company F did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company F had non-current assets of HK$1,562,275, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,174,775, which is unsecured, interest-free and repayable on demand. The total equity of Target Company F was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company F also had a remaining balance of HK$29,683,225 to be paid for the acquisition of investment property which constitutes a commitment of Target Company F.

Pledge of assets

As at 31 March 2015, Target Company F did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company F did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company F as at 31 March 2015 was approximately 75.2%.

Foreign Currency Exposure

As Target Company F's monetary assets and liabilities are all denominated in HK$ and Target Company F conducts its business transactions only in HK$, the currency risk of Target Company F is remote and Target Company F does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company F did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company F did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

Target Company G

Business Overview

Target Company G was incorporated in the BVI with limited liability on 18 February 2015.

The principal activity of Target Company G is property holding.

The Accountant's Report of the Target Company G for the period from the date of incorporation to 31 March 2015 is set out in Appendix II to this circular.

Financial Overview

During the period from the date of incorporation to 31 March 2015, Target Company G did not generate any revenue or incur any expense from its activities.

Liquidity, Financial Resources and Capital Structure

As at 31 March 2015, Target Company G had non-current assets of HK$1,580,800, which is deposit for the acquisition of investment property and current liabilities due to its shareholder of HK$1,193,300, which is unsecured, interest-free and repayable on demand. The total equity of Target Company G was HK$387,500 as at 31 March 2015.

As at 31 March 2015, Target Company G also had a remaining balance of HK$30,035,200 to be paid for the acquisition of investment property which constitutes a commitment of Target Company G.

Pledge of assets

As at 31 March 2015, Target Company G did not have any pledge of assets.

Contingent liabilities

As at 31 March 2015, Target Company G did not have any contingent liabilities.

Gearing Ratio

Being defined as total liabilities divided by total assets, the gearing ratio of Target Company G as at 31 March 2015 was approximately 75.5%.

Foreign Currency Exposure

As Target Company G's monetary assets and liabilities are all denominated in HK$ and Target Company G conducts its business transactions only in HK$, the currency risk of Target Company G is remote and Target Company G does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure when needed.

Material Investments, Capital Assets, Acquisition and Disposal

During the period from the date of incorporation to 31 March 2015, Target Company G did not hold any significant investments except the investment property, and did not have any material acquisitions and disposals of subsidiaries and associated companies.

Other than holding the investment property, Target Company G did not have any future plans for material investments or capital assets as at the Latest Practicable Date.

The following is the text of a report prepared for the purpose of incorporation in this prospectus received from Roma Appraisals Limited, an independent valuer, in connection with its valuation as at 30 April 2015 of the property.

ROMA

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

20 July 2015

ABC Communications (Holdings) Limited
Room 2709-10, 27/F,
China Resources Building,
26 Harbour Road,
Wanchai,
Hong Kong

Dear Sir/Madam,

Re: Property Valuation of 12th, 13th, 15th, 16th, 21st, 22nd and 23rd floors, Henan Building, Nos.90 & 92 Jaffe Road, Nos.15-19 Luard Road, Wan Chai, Hong Kong.

In accordance with ABC Communications (Holdings) Limited (the "**Company**") and/or its subsidiaries' (together with the Company referred to as the "**Group**") instruction for us to value the property located in Hong Kong, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the property as at 30 April 2015 (the "**Date of Valuation**") for the purpose of incorporation in the Circular of the Company dated 20 July 2015.

1. BASIS OF VALUATION

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

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

2. VALUATION METHODOLOGY

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

3. TITLE INVESTIGATION

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

4. VALUATION ASSUMPTIONS

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

5. SOURCE OF INFORMATION

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

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

6. VALUATION CONSIDERATION

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

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

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

Our valuation is prepared in compliance with the requirements set out in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and in accordance with the HKIS Valuation Standards (2012 Edition) published by The Hong Kong Institute of Surveyors.

7. REMARKS

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

Our Valuation Certificate is attached.

Yours faithfully,

For and on behalf of
Roma Appraisals Limited

Chris K D Tang	**Alan W K Lee**
MHKIS MRICS RPS (GP)	*BCom (Property) MFin*
Senior Consultant	*MHKIS RPS(GP) AAPI CPV CPV (Business)*
	Associate Director

Notes: Mr. Chris K D Tang is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and a member of Royal Institution of Chartered Surveyors. He has over 20 years' valuation experience in Hong Kong.

Mr. Alan W K Lee is a Registered Professional Surveyor (General Practice), a member of Hong Kong Institute of Surveyors and an Associate of Australian Property Institute. He has over 11 years' valuation experience in Hong Kong, Macau, the PRC, the Asia Pacific Region and European countries.

VALUATION CERTIFICATE

Property intended to be acquired by the Group held for investment purpose in Hong Kong

Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 30 April 2015
12th, 13th, 15th, 16th, 21st, 22nd and 23rd floors, Henan Building, Nos.90 & 92 Jaffe Road, Nos.15-19 Luard Road, Wan Chai, Hong Kong 200/820th equal and undivided shares of and in the Remaining Portion of Sub-Section 1 of Section E, the Remaining Portion of Section E, the Remaining Portion of Section H, Section I and the Remaining Portion of Section J of Inland Lot No.2817.	The property comprises 7 floors of a 23-storey office building, known as Henan Building, completed in 1985. As per approved building plans obtained from Building Department, the property has a total gross floor area ("**GFA**") of approximately 17,836 sq.ft. (or about 1,657.01 sq.m). The property is held under government lease for a term of 99 years renewable for 99 years commencing on 26 March 1929. The government rents payable for the lots are as follows: **Sub-Section Lots of Inland Lot No.2817** — **Government rent (HK$ per annum)** the Sub-Section 1 of Section E — 16 the Remaining Portion of Section E — 12 Section H — 18 Section I — 16 the Remaining Portion of Section J — 16	As advised by the Group, the property is subject to various tenancies. Detail please refer to Note 3.	HK$300,000,000.

Notes:

1. The registered owner of the property is Excess Gain Company Limited. The details of which are as follows:

Premises	Memorial No.	Memorial Date
12th Floor	UB3279227	19 January 1987
13th Floor	UB3279227	19 January 1987
15th Floor	UB6775890	17 September 1996
16th Floor	UB6775890	17 September 1996
21st Floor	UB6775890	17 September 1996
22nd Floor	UB6775890	17 September 1996
23rd Floor	UB6775890	17 September 1996

2. The property is subject to the following encumbrances:

   a. Deed of Partial Release vide Memorial No.UB6358877 dated 4 July 1995 (For 15th, 16th, 21st, 22nd and 23rd floors only); and

   b. Mortgage in favour of The Hong Kong and Shanghai Banking Corporation Limited to secure all moneys in respect of general banking facilities vide Memorial No.14101602620316 dated 24 September 2014.

3. The property is subject to various tenancies with a total monthly rent of HK$352,770, inclusive of government rent but exclusive of rates, central air-conditioning charges and management fees. The details of which are as follows:

Premises	**Expiry Date**	**Monthly Rent**
1201	23 May 2016	HK$26,607
1202	2 November 2015	HK$47,600
1301	15 May 2016	HK$30,816
1501	29 February 2016	HK$33,000
1502	31 August 2015	HK$37,238
21st Floor	28 February 2017	HK$74,197
22nd Floor	31 August 2015	HK$46,960
23rd Floor	11 September 2016	HK$56,352
	Total	**HK$352,770**

4. The property lies within an area zoned as ''Commercial'' under Wan Chai Outline Zoning Plan No.S/H5/27.

5. The valuation breakdowns are as follows:-

Premises	**Market Value in Existing State as at 30 April 2015**
12th Floor	HK$53,800,000
13th Floor	HK$53,800,000
15th Floor	HK$53,800,000
16th Floor	HK$53,800,000
21st Floor	HK$30,500,000
22nd Floor	HK$30,500,000
23rd Floor	HK$23,800,000
Total:	HK$300,000,000

6 Our inspection was performed by Ms. Joanna T.Y. Cheung B.Sc., with over 2-year property valuation experience in May 2015.

7. The property is located in the office district in Wan Chai, Hong Kong. Developments in the vicinity comprise a mixture of retail/commercial/office buildings, hotels, tenant blacks, government offices, and public facilities including sport centre and playground. The pedestrian flow in the surrounding area is moderate. Public transportation facilities such as franchised buses and taxis are conveniently along Luard Road and Hennessy Road. The MTR (Wan Chai) Station is situated at about 5 minutes' walking distance from the property. According to the property index provided by the Ratings and Valuation Department, the market yield of Grade A office premises is 2.9% in April 2015.

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. SHARE CAPITAL

The authorized and issued share capital of the Company as at the Latest Practicable Date and immediately following full conversion of the Convertible Bonds was and will be, as follows:

Authorized		*HK$*
6,000,000,000 Shares		60,000,000.00
Issued as fully paid		
1,986,415,200	Shares as at the Latest Practicable Date	19,864,152.00
To be issued upon conversion of the Convertible Bonds		
800,000,000	Conversion Shares	8,000,000.00
		27,864,152.00

All the Shares in issue and to be issued (when fully paid) rank and will rank pari passu in all respects with each other including rights to dividends, voting and return of capital. As at the Latest Practicable Date, no share or loan capital of the Company will be issued or is proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital, except for the proposed issue of Conversion Shares that would fall to be issued upon conversion of the Convertible Bonds.

3. DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "**Model Code**"), to be notified to the Company and the Stock Exchange:

Names of Directors	Capacity	Number of Shares held (long position)	Approximate % of interest held
Fong For	Beneficial owner	331,068,000	16.67%
Chow Wang	Beneficial owner	64,964,000	3.27%

4. SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the Company had not been notified of any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would fall to be disclosed under provisions of Division 2 and 3 of Part XV of the SFO, or any persons (other then the Directors and chief executive of the Company) who was directly and indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote at general meetings of any other member the Group.

5. DIRECTORS' INTERESTS IN CONTRACTS

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

(b) No contract or arrangement in which any of the Directors is materially interested and which is significant in relation to the business of the Enlarged Group subsisted as at the Latest Practicable Date.

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

6. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective associates were considered to have interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

7. LITIGATION

So far as the Directors are aware, as at the Latest Practicable Date, no member of the Enlarged Group was engaged in any litigation or arbitration of material importance and no litigation or claims of material importance known to the Directors were pending or threatened against any member of the Enlarged Group.

8. MATERIAL CONTRACTS

The members of the Enlarged Group have entered into the following contracts (not being contracts entered into in the ordinary course of business) within two years immediately preceding the date of this circular which are or may be material:

(a) a placing agreement dated 10 June 2013 entered into between the Company and Orient Securities Limited as the placing agent in relation to the placing of a maximum of 233 million placing shares to not less than six placees at a price of HK$0.15 per placing share, details of which are set out in the Company's announcement dated 11 June 2013 and 5 July 2013 respectively;

(b) a placing agreement dated 25 July 2013 entered into between the Company and Convoy Investment Services Limited as the placing agent in relation to the placing of 5.5% per annum bonds of up to HK$400 million in principal amount, details of which are set out in the Company's announcement dated 26 July 2013, 24 January 2014, and 30 April 2014 respectively;

(c) a placing agreement dated 15 October 2013 entered into between the Company and Orient Securities Limited as the placing agent in relation to the placing of a maximum of 275,891,440 placing shares to not less than six placees at a price of HK$0.15 per placing share, details of which are set out in the Company's announcements dated 15 October 2013 and 23 October 2013 respectively;

(d) an acquisition agreement dated 24 March 2014 entered into between the Company and an Independent Third Party in relation to the acquisition of 60% of the issued share capital and shareholders' loans of POMP International Limited for a total cash consideration of HK$60 million by the Company, details of which are set out in the Company's announcement dated 24 March 2014;

(e) an acquisition agreement dated 28 March 2014 entered into between the Company and an Independent Third Party in relation to the acquisition of 18% of the issued share capital of Sharp Legend Inc. for a total cash consideration of HK$60 million by the Company, details of which are set out in the Company's announcement dated 30 March 2014;

(f) a placing agreement dated 4 November 2014 entered into between the Company and KGI Capital Asia Limited as the placing agent in relation to the placing of a maximum of 331,069,440 placing shares to not less than six placees at a price of HK$0.1140 per placing share, details of which are set out in the Company's announcements dated 4 November 2014, 11 November 2014 and 19 November 2014 respectively;

(g) a lease contract dated 30 March 2015 entered into among Yin Di Mining and Xin Jiang Yuan Mining (both of which being wholly owned subsidiaries of the Company as lessors) and Henan Heng Yi Mining Company Limited (as lessee) in relation to the lease of the mining and exploration rights of several mines and the plants and equipment situated therein, for an aggregate rent of RMB5,200,000 payable to the Group during the first year of tenure under the least contract. The Group may renew the lease contract for successive one-year periods for up to a maximum of ten years in total, and the annual rate of increase of rental imposed by the Group shall be not less than 100% and not more than 150% as compared with the aggregate rent of the previous year. Details of the lease contract are set out in the Company's announcement dated 30 March 2015;

(h) the Acquisition Agreement;

(i) the Placing Agreement; and

(j) a sale and purchase agreement dated 4 June 2015 entered into between the Company and Shenzhen Demingwang Trading Co. Ltd* ("Demingwang"), pursuant to which the Company agreed to sell 18% of the issued share capital of Sharp Legend Inc. and related shareholders loans to Demingwang for a total cash consideration of HK$60,000,000, details of which were set out in the Company's announcement dated 4 June 2015.

Except as disclosed above, no other material contract has been entered into by the Group within the two years immediately preceding the date of this circular.

9. EXPERTS AND CONSENT

The following is the name and the qualification of the professional advisers who have given opinion or advice which is contained or referred to in this circular:

Name	Qualification
Donvex Capital Limited ("**Donvex**")	A company licensed to carry on type 6 (advising on corporate finance) regulated activities under the SFO
SHINEWING (HK) CPA Limited ("**SHINEWING**")	Certified Public Accountants
Roma Appraisals Limited ("**Roma**")	Property valuer

As at the Latest Practicable Date, Donvex, SHINEWING and Roma had no beneficial interest in the share capital of any member of the Enlarged Group nor did they have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group or have any interest, either directly or indirectly, in any assets which have been, since 31 March 2015 (being the date to which the latest published audited consolidated accounts of the Group were made up), acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to, any member of the Enlarged Group.

Donvex, SHINEWING and Roma have given and have not withdrawn their written consent to the issue of this circular with the inclusion of their report and the references to their names in the form and context in which they respectively appear.

10. MISCELLANEOUS

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

(b) The head office and principal place of business of the Company is at Room 2709-10, 27/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

(c) The principal share registrar and transfer agent office of the Company is Computershare Investor Services (Bermuda) Limited at Corner House, Church and Parliament Street, Hamilton HM FX., Bermuda.

(d) The Hong Kong branch share registrar and transfer agent office of the Company is Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(e) The company secretary of the Company is Mr. Cheung Wai Shing, who is a fellow member of the Hong Kong Institute of Certified Public Accountants and The Association of Chartered Certified Accountants, and an associated member of The Institute of Chartered Accountants in England and Wales.

(f) The English text of this circular and the accompanying proxy form shall prevail over the Chinese text in case of any inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during business hours at the head office and principal place of business of the Company at Room 2709-10, 27/F, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong from the date of this circular up to and including the date of SGM:

(a) the memorandum of association of the Company;

(b) the bye-laws of the Company;

(c) the annual results/reports of the Company for the three financial years ended 31 March 2015;

(d) the material contracts referred to in the paragraph headed ''Material Contracts'' in this Appendix, including the Acquisition Agreement and the Placing Agreement;

(e) the letter from the Board, the text of which is set out in this circular;

(f) the letter from the Independent Board Committee, the text of which is set out in this circular;

(g) the letter from the Independent Financial Adviser, the text of which is set out in this circular;

(h) the report issued by SHINEWING (HK) CPA Limited in respect of the financial information of the Target Companies as set out in Appendix II to this circular;

(i) the report issued by SHINEWING (HK) CPA Limited in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;

(j) the letter and valuation certificate prepared by Roma Appraisals Limited in respect of the Target Properties, the text of which is set out in Appendix V to this circular;

(k) the letters of consent referred to under the paragraph headed "Experts and Consent" in this Appendix; and

(l) this circular.

ABC COMMUNICATIONS (HOLDINGS) LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 30)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the "SGM") of ABC Communications (Holdings) Limited (the "Company") will be held at Basement 2 (B2), The Wharney Guang Dong Hotel, 57-73 Lockhart Road, Wanchai, Hong Kong on Wednesday, 12 August 2015 at 10:00 a.m. for the purpose of considering and, if thought fit, passing with or without modification, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

(a) The agreement dated 24 April 2015 entered into between (i) Ban Loong Property Investment Limited (a wholly-owed subsidiary of the Company) as purchaser (the "**Purchaser**"), (ii) Mr. Chiu Ngai Hung as vendor (the "**Vendor"**), and (iii) Summit Pacific Group Limited, Urban Stone Limited, Spring Hero Developments Limited, Sharp Pick Ventures Limited, Viva Star International Limited, Main Trillion Limited, Cozy Sky Limited (collectively, the "**Target Companies**") in relation to the sale and purchase of the entire issued share capital and all shareholder's loan of each of the Target Companies for a total cash consideration of HK$297,193,940 (the "**Acquisition Agreement**"), marked "A" and initialed by the chairman of the meeting for the purpose of identification, and all the transactions contemplated thereby, be and are hereby approved, confirmed and ratified;

(b) the directors of the Company (the "**Directors**") be and are hereby authorized to do all such acts and things, to sign and execute all such further documents and to take such steps as the Directors in their discretion may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Acquisition Agreement, and any of the transactions contemplated thereunder, and to agree to such variation, amendments, waiver or matters relating thereto (including any variation, amendments or waiver of such documents, which are, in the opinion of the Directors, in the interest of the Company and its shareholders as a whole."

2. "**THAT**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of, and permission to deal in, the shares of HK$0.01 each in the share capital of the Company ("**Shares**") which may fall to be issued upon the conversion of the Convertible Bonds (as defined below):

   (a) the creation and issue of the convertible bonds in the principal amount of up to HK$150,000,000 to be issued by the Company (the "**Convertible Bonds**") conferring rights on holders thereof to convert into new Shares at the initial conversion price of HK$0.1875 per Share (subject to adjustment), subject to the terms substantially set out in the instrument constituting the Convertible Bonds (the "**Bond Instrument**") (a copy of the final draft of which has been produced to the Meeting marked "B" and signed by the chairman of the Meeting for the purpose of identification), during the period from the date of issue of the Convertible Bonds to the second anniversary of the date of the Bond Instrument to be executed by way of deed poll by the Company be and is hereby approved;

   (b) the Directors be and are hereby authorized to allot and issue up to 800,000,000 new Shares which would fall to be issued upon the conversion of the Convertible Bonds in accordance with the terms and conditions of the Bond Instrument; and

   (c) the Directors be and are hereby authorized to do all such acts and things ancillary to the Placing Agreement and of administrative nature (including, without limitation, signing, executing (under hand or under seal), perfecting and delivering all agreements, documents and instruments) which are in their opinion, necessary, appropriate, desirable or expedient to implement or to give effect to the terms of the Placing Agreement and all transactions contemplated thereunder and to agree to and make such variation, amendment and waiver of any of the matters relating thereto or in connection therewith that are, in the opinion of the Directors, of administrative nature, not material to and not varying the terms of the Placing Agreement and the transactions contemplated thereunder, and are in the interests of the Company."

3. "**THAT**:

   (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on the Stock Exchange, the exercise by the directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with Shares, and to issue, allot or grant securities convertible into Shares or options, warrants or similar rights to subscribe for Shares or such convertible securities and to make or grant offers, agreements and options which might require the exercise of such powers, subject to and in accordance with applicable laws, be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorize the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below), (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company, or any securities which are convertible into shares of the Company, (iii) any employee share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company, and (iv) any scrip dividend scheme or similar arrangements providing for the allotment of shares in lieu of the whole or a part of a dividend on shares of the Company pursuant to the Bye-laws of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue at the date of passing of this resolution and the approval in paragraph (a) shall be limited accordingly;

(d) the approval in paragraph (a) above shall be additional to the authority given to the directors at any time to allot and issue additional shares in the capital of the Company; and

(e) for the purpose of this resolution:–

"**Relevant Period**" means the period from the passing of this resolution until whichever is the earliest of:–

i. the conclusion of the next annual general meeting of the Company;

ii. the expiration of the period within which the next annual general meeting of the Company is required by any applicable law of Bermuda or the Bye-Laws of the Company to be held; and

iii. the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.

"**Rights Issue**" means an offer of Shares open for a period fixed by the Directors made to the holders of the Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or in any territory outside, Hong Kong). "

SPECIAL RESOLUTION

4. "**THAT**, the name of the Company be changed from "ABC Communications (Holdings) Limited" to "Ban Loong Holdings Limited" and the Chinese name "萬隆集團有限公司" be adopted in replacement of the existing Chinese name used for identification purpose only and be registered with the registrar of companies of Bermuda as the secondary name of the Company, and THAT the directors of the Company be and are hereby authorized to do all such acts and things and execute all documents they consider necessary or expedient to effect the aforesaid change of English name and the adoption of secondary name of the Company."

By Order of the Board
ABC Communications (Holdings) Limited
Chow Wang
Chairman & Executive Director

Hong Kong, 20 July 2015

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

Principal place of business in Hong Kong:–
Room 2709-10, 27/F
China Resources Building
No. 26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the notice is entitled to appoint one or more proxies to attend and vote in his stead. A proxy need not be a member of the Company.

2. The register of members will be closed from 17 August 2015 to 19 August 2015, both dates inclusive, during which period no transfer of shares will be effected. In order to qualify for attending and voting at the SGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited of 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong at least 48 hours before the time fixed for holding the meeting or any adjournment thereof.

3. Members are recommended to read the circular of the Company containing information concerning the Resolutions proposed in this notice.

As at the date hereof, the Board comprises:–

Executive Directors:
Mr. Chow Wang *(Chairman)*
Mr. Cheung Wai Shing
Mr. Xu Jian Zhong

Non-Executive Director:
Mr. Fong For

Independent Non-Executive Directors:
Mr. Jiang Zhi
Mr. Leung Ka Kui, Johnny
Ms. Wong Chui San, Susan