THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offers, this Composite Document and/or the accompanying Form(s) of Acceptance or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Winfoong International Limited, you should at once hand this Composite Document and the accompanying Form(s) of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This Composite Document should be read in conjunction with the accompanying Form(s) of Acceptance, the contents of which form part of the terms and conditions of the Offers contained in this Composite Document.

HK Guoxin Investment Group Limited
(Incorporated in Hong Kong with limited liability)

Winfoong International Limited
(榮豐國際有限公司*)
(Incorporated in Bermuda with limited liability)
(Stock code: 63)

UNCONDITIONAL MANDATORY CASH OFFERS BY GET NICE SECURITIES FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL THE OUTSTANDING OPTIONS OF WINFOONG INTERNATIONAL LIMITED

Joint Financial Advisers to the Offeror

結好證券有限公司
GET NICE SECURITIES LIMITED

VEDA | CAPITAL
智略資本

Independent Financial Adviser to the Independent Board Committee

上銀國際有限公司
BOSC International Company Limited

A letter from Get Nice Securities containing, amongst other things, details of the terms and conditions of the Offers is set out on pages 7 to 20 of this Composite Document. A letter from the Board is set out on pages 21 to 25 of this Composite Document. A letter from the Independent Board Committee containing its recommendation and advice to the Independent Securities Holders on the Offers is set out on pages 26 to 27 of this Composite Document. A letter from the Independent Financial Adviser containing its recommendation and advice to the Independent Board Committee on the Offers is set out on pages 28 to 51 of this Composite Document.

The procedures for acceptance and settlement of the Offers are set out in Appendix I to this Composite Document and in the accompanying Form(s) of Acceptance.

Acceptances of the Offers should be received by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Option Offer) by no later than 4:00 p.m. on Friday, 27 November 2015 or such later time and/or date as the Offeror may determine and announce with the consent of the Executive, in accordance with the Takeovers Code.

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

* *For identification purpose only*

6 November 2015

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Accompanying documents

– *White Form of Share Offer Acceptance*

– *Pink Form of Option Offer Acceptance*

The timetable set out below is indicative and may be subject to change. Any change to the timetable will be jointly announced by the Offeror and the Company. All the time and date references contained in this Composite Document refer to Hong Kong time and dates.

Despatch date of this Composite Document and the accompanying Form(s) of Acceptance and the commencement of the Offers *(Note 1)*	Friday, 6 November 2015
Latest time and date for acceptance of the Offers *(Notes 2 and 3)*	by 4:00 p.m. on Friday, 27 November 2015
Closing date of the Offers	Friday, 27 November 2015
Announcement of the results of the Offers to be posted on the Stock Exchange's website	by 7:00 p.m. on Friday, 27 November 2015
Latest date for posting of remittances for the amounts due in respect of valid acceptances received under the Offers *(Note 4)*	Tuesday, 8 December 2015

Notes:

1. The Offers, which are unconditional, are made on the date of the posting of this Composite Document, and are capable of acceptance on and from that date until the Closing Date.

2. The latest time and date for acceptance will be at 4:00 p.m. on Friday, 27 November 2015 unless the Offeror revises or extends the Offers in accordance with the Takeovers Code. The Offeror and the Company will jointly issue an announcement through the website of the Stock Exchange no later than 7:00 p.m. on Friday, 27 November 2015 stating whether the Offers have been extended, revised or have closed for acceptance. In the event that the Offeror decides to extend the Offers, at least 14 days' notice by the way of an announcement will be given before the Offers are closed to those Independent Securities Holders who have not accepted the Offers.

3. Acceptance of the Offers shall be irrevocable and is not capable of being withdrawn, except in the circumstances as set out in the section headed "4. RIGHT OF WITHDRAWAL" in Appendix I to this Composite Document.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty in respect of acceptances of the Offers) payable for the Offer Share(s) or the Offer Option(s) tendered under the Offers will be posted to the accepting Independent Securities Holders by ordinary post at their own risk as soon as possible, but in any event within seven (7) Business Days of the date of receipt by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Option Offer) of all the relevant documents to render the acceptance under the Offers complete and valid.

In this Composite Document, unless the context otherwise requires, the following expressions have the following meanings:

"acting in concert"	has the same meaning ascribed to it under the Takeovers Code
"associate(s)"	has the same meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Business Day"	a day on which the Stock Exchange is open for the transaction of business
"BVI"	the British Virgin Islands
"CCASS"	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited
"Closing Date"	Friday, 27 November 2015, being the first closing date of the Offers which is 21 days from the date on which this Composite Document was posted
"Company"	Winfoong International Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange (Stock Code: 63)
"Completion"	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
"Composite Document"	this composite offer and response document jointly issued by or for and on behalf of the Offeror and the Company to all Independent Securities Holders in accordance with the Takeovers Code in connection with the Offers
"Director(s)"	the director(s) of the Company
"Encumbrances"	any security interest, claim, restriction, interest, charge, right of first refusal, right of pre-emption, mortgage, pledge or lien of any nature or other kind of third-party rights
"Executive"	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director

"Forms of Acceptance"	the WHITE Form of Share Offer Acceptance and the PINK Form of Option Offer Acceptance, and "Form of Acceptance" means either of them
"Get Nice Securities"	Get Nice Securities Limited, a licensed corporation permitted to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO, which is appointed as one of the joint financial advisers to the Offeror in respect of the Offers
"Group"	the Company and its subsidiaries
"Guarantors"	Hong Fok Corporation Limited, as the guarantor to Vendor A and Vendor B, and Hong Fok Land International Limited, as the guarantor to Vendor C
"Holding Announcement"	the holding announcement of the Company dated 22 September 2015, in relation to, among other things, the Sale and Purchase Agreement
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"HK$"	Hong Kong dollar, the lawful currency of Hong Kong
"Independent Board Committee"	an independent committee of the Board comprising the independent non-executive Directors, namely Kwik Sam Aik and Leung Wing Ning, which has been established to advise the Independent Securities Holders in relation to the terms of the Offers and its acceptance
"Independent Financial Adviser" or "BOSC"	BOSC International Company Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
"Independent Securities Holders"	Shareholders and/or Optionholders other than the Offeror and parties acting in concert with it, as the case may be
"Joint Announcement"	the joint announcement dated 6 October 2015 jointly issued by or for and on behalf of the Offeror and the Company in relation to, amongst other things, the Sale and Purchase Agreement and the Offers

"Last Trading Day"	17 September 2015, being the last full trading day for the Shares prior to the suspension of trading in the Shares pending the release of the Joint Announcement
"Latest Practicable Date"	4 November 2015, being the latest practicable date prior to the printing of this Composite Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Li"	Mr. Li Feng Mao, the sole beneficial owner and director of the Offeror as at the date of the Sale and Purchase Agreement and the Latest Practicable Date
"Offer Facility"	a loan facility of up to HK$580 million granted by Get Nice Securities to the Offeror to finance the amount paid by the Offeror under the Sale and Purchase Agreement (up to HK$150 million) and the amount payable by the Offeror upon acceptance of the Offers (up to HK$430 million)
"Offer Option(s)"	153,200,000 outstanding Options, granted by the Company with an exercise price of HK$0.1168 per Share
"Offer Period"	has the same meaning ascribed to it under the Takeovers Code
"Offer Price"	the price per Offer Share at which the Share Offer is made in cash
"Offer Share(s)"	all the Share(s) in issue, other than those Shares already owned by the Offeror and parties acting in concert with it
"Offeror"	HK Guoxin Investment Group Limited, a company incorporated in Hong Kong with limited liability
"Offers"	the Share Offer and the Option Offer
"Option(s)"	the option(s) granted by the Company to the Optionholder(s) pursuant to the Share Option Scheme
"Optionholder(s)"	holder(s) of the Option(s)

"Option Offer"	the mandatory cash offer made by Get Nice Securities on behalf of the Offeror for cancellation of all the outstanding Options pursuant to Rule 13.1 of the Takeovers Code
"Option Offer Price"	the price per Offer Option at which the Option Offer is made in cash
"Overseas Optionholder(s)"	Optionholder(s) whose addresses, as shown on the register of Optionholders, are outside Hong Kong
"Overseas Shareholder(s)"	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
"PINK Form of Option Offer Acceptance"	the PINK Form of acceptance and cancellation of all outstanding Options in respect of the Option Offer
"PRC"	the People's Republic of China which, for the purpose of this Composite Document, shall exclude Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Registrar"	Computershare Hong Kong Investor Service Ltd., the Hong Kong branch share registrar of the Company, situated at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
"Relevant Period"	the period from 22 March 2015, being the date falling six months preceding the commencement of the Offer Period, up to and including the Latest Practicable Date
"Sale and Purchase Agreement"	the sale and purchase agreement dated 18 September 2015 entered into between the Vendors, the Offeror and the Guarantors for the sale and purchase of the Sale Shares
"Sale Shares"	1,652,910,365 Shares, legally and beneficially owned by the Vendors as at the date of the Sale and Purchase Agreement and immediately prior to Completion, representing approximately 62.61% of the total issued share capital of the Company as at the date of the Sale and Purchase Agreement
"SFC"	Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

"Shareholder(s)"	holder(s) of the Share(s)
"Share(s)"	ordinary share(s) of HK$0.05 each in the share capital of the Company
"Share Offer"	the unconditional mandatory cash offer made by Get Nice Securities on behalf of the Offeror for all the Offer Shares pursuant to Rule 26.1 of the Takeovers Code
"Share Option Scheme"	the share option scheme adopted by the Company on 25 June 2013, which entitle the holder(s) to subscribe for new Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	The Code on Takeovers and Mergers
"Veda Capital"	Veda Capital Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO, which is appointed as one of the joint financial advisers to the Offeror in respect of the Offers
"Vendor A"	Hong Fok Corporation (Cayman) Limited, a company incorporated in the Cayman Islands with limited liability
"Vendor B"	Hong Fok Corporation (H.K.) Limited, a company incorporated in Hong Kong with limited liability
"Vendor C"	First Strategy Investments Limited, a company incorporated in the BVI with limited liability
"Vendors"	Vendor A, Vendor B and Vendor C
"WHITE Form of Share Offer Acceptance"	the WHITE form of acceptance and transfer of Shares in respect of the Share Offer
"%"	per cent.

結好證券有限公司
GET NICE SECURITIES LIMITED

Get Nice Securities Limited
10/F, Cosco Tower
Grand Millennium Plaza
183 Queen's Road Central
Hong Kong

6 November 2015

To the Independent Securities Holders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFERS BY
GET NICE SECURITIES
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND
PARTIES ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING OPTIONS
OF WINFOONG INTERNATIONAL LIMITED

INTRODUCTION

References are made to the Holding Announcement and the Joint Announcement.

On 18 September 2015, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Vendors and the Guarantors to acquire the Sale Shares from the Vendors for a total cash consideration of HK$598,022,970.06 (equivalent to approximately HK$0.3618 per Sale Share). Completion took place immediately upon the signing of the Sale and Purchase Agreement.

Immediately following Completion and as at the Latest Practicable Date, the Offeror and the parties acting in concert with it are interested in 1,652,910,365 Shares, representing approximately 62.00% of the issued ordinary share capital of the Company. In addition, as at the Latest Practicable Date, the Company has 153,200,000 outstanding Options. Pursuant to Rules 26.1 and 13.1 of the Takeovers Code, the Offeror is required to make unconditional mandatory cash offers for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) and to cancel all the outstanding Options.

This letter set outs, among other things, the principal terms of the Offers, together with the information on the Offeror and the Offeror's intention regarding the Group. Further details of the terms of the Offers and procedures of acceptance are also set out in Appendix I to this Composite Document and the accompanying Form(s) of Acceptance. Your attention is also drawn to the letter from the Board as well as the letter from the Independent Board Committee and the letter from the Independent Financial Adviser in respect of the Offers, as contained in this Composite Document.

UNCONDITIONAL MANDATORY CASH OFFERS

Principal terms of the Offers

Get Nice Securities, for and on behalf of the Offeror, is making the Offers in accordance with the Takeovers Code on the following basis:

Share Offer:

For each Offer Share **HK$0.3619 in cash**

The Offer Price of HK$0.3619 per Offer Share is equal to the consideration per Sale Share of HK$0.3619 (rounded up to 4 decimal places) paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the posting of this Composite Document.

Option Offer:

For cancellation of each Offer Option **HK$0.2451 in cash**

As all the Options are in-the-money, the Option Offer Price for each Offer Option represents the difference between the Offer Price and the exercise price of HK$0.1168 of these Options.

Comparison of value

The Offer Price of HK$0.3619 per Offer Share represents:

(i) a discount of approximately 42.56% to the last trading price of HK$0.63 per Share as quoted on the Stock Exchange immediately before trading in the Shares was halted on 18 September 2015;

(ii) a discount of approximately 42.56% to the closing price of HK$0.63 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 41.63% to the average closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK$0.62 per Share;

(iv) a discount of approximately 37.60% to the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK$0.58 per Share;

(v) a discount of approximately 47.55% to the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK$0.69 per Share;

(vi) a discount of approximately 34.20% to the closing price of HK$0.55 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(vii) a premium of approximately 243.03% over the unaudited consolidated net asset value attributable to owners of the Company of approximately HK$0.1055 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 June 2015;

(viii) a premium of approximately 125.62% to the Group's adjusted unaudited consolidated net asset value by adjusting for the market valuations of the properties held by the Group as at 31 August 2015 of approximately HK$0.1604 per share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 June 2015;

(ix) a premium of approximately 232.32% over the audited consolidated net asset value attributable to owners of the Company of approximately HK$0.1089 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 31 December 2014, the date to which the latest audited financial results of the Group were made up; and

(x) a premium of approximately 120.40% to the Group's adjusted audited consolidated net asset value by adjusting for the market valuations of the properties held by the Group as at 31 August 2015 of approximately HK$0.1642 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 31 December 2014.

Highest and lowest Share prices

During the Relevant Period:

(i) the highest closing price of the Shares as quoted on the Stock Exchange was HK$1.18 per Share on 30 June 2015; and

(ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$0.285 per Share on 23 March 2015.

Total value of the Offers

As at the Latest Practicable Date, there were 2,665,902,084 Shares in issue and 153,200,000 outstanding Options.

Based on the Offer Price of HK$0.3619, the entire issued share capital of the Company is valued at approximately HK$964,789,964. As the Offeror is interested in 1,652,910,365 Shares immediately after Completion, 1,012,991,719 Shares will be subject to the Share Offer and the Share Offer is valued at approximately HK$366,601,703 based on the Offer Price.

Assuming none of the Options is exercised prior to the close of the Offers, 153,200,000 Options will be subject to the Option Offer and the Option Offer is valued at HK$37,549,320 based on the Option Offer Price.

Based on the above, the aggregate value of the Offers under full acceptance is approximately HK$404,151,023.

Assuming that all the Options are exercised by the Optionholders and converted into Shares prior to the close of the Offers, 1,166,191,719 Shares will be subject to the Share Offer and then the Share Offer will be valued at approximately HK$422,044,783.

Financial resources available to the Offeror

The Offeror will finance the consideration payable under the Offers through the Offer Facility. Under the terms of the Offer Facility, (i) the Shares to be acquired pursuant to the Share Offer, payment of which is financed by the amount drawn from the Offer Facility, as well as the Sale Shares acquired by the Offeror under the Sale and Purchase Agreement shall be, and have been, charged to Get Nice Securities as security; and (ii) Mr. Li has executed a personal guarantee for the obligations and liabilities of the Offeror under the Offer Facility. The payment of interest on and repayment of any liability (contingent or otherwise) by the Offeror to Get Nice Securities under the Offer Facility will not depend on the business of the Group.

Get Nice Securities and Veda Capital are satisfied that sufficient financial resources are available to the Offeror to satisfy the full acceptances of the Offers.

Condition of the Offers

The Offers are unconditional in all respects.

Effect of accepting the Offers

By accepting the Share Offer, the Independent Securities Holders will sell their Shares to the Offeror free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to receive any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the posting of this Composite Document.

By accepting the Option Offer, the Options tendered by the Optionholders will be cancelled and renounced together with all rights attaching or accruing thereto.

Acceptance of the Offers by any Independent Securities Holder will be deemed to constitute a warranty by such person that all Shares or Options sold by such person under the Offers are free from all Encumbrances whatsoever and together with all rights accruing or attaching thereto, including, without limitation, the right to receive dividends and distributions declared, made or paid, if any, on or after the date on which the Offers are made.

Acceptance of the Offers would be irrevocable and would not be capable of being withdrawn, subject to the provisions of the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Share Offer at a rate of 0.1% of the consideration payable in respect of the relevant acceptances by the Independent Securities Holders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those Independent Securities Holders who accept the Share Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Securities Holders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

No stamp duty is payable in connection with the acceptances of the Option Offer.

Payment

Payment in cash in respect of acceptances of the Offers will be made as soon as possible but in any event within seven (7) Business Days of the date on which the duly completed acceptances of the Offers and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

Taxation advice

Independent Securities Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Get Nice Securities and Veda Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any person as a result of his/her/its acceptance or rejection of the Offers.

Overseas Shareholders and Overseas Optionholders

The Offeror intends to make the Offers available to all the Independent Securities Holders, including the Overseas Shareholders and the Overseas Optionholders. However, the availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Optionholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders and Overseas Optionholders who wish to accept the Share Offer and/or the Option Offer (as the case may be) to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders and Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

Acceptance and Settlement

Your attention is further drawn to the details regarding the procedures for acceptance and settlement of the Offers as set out in Appendix I to this Composite Document and the accompanying Forms of Acceptance.

INFORMATION OF THE GROUP

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the main board of the Stock Exchange. The Group is principally engaged in property related businesses, the provision of horticultural services and securities trading business.

The following table is a summary of certain consolidated financial information of the Group for the two financial years ended 31 December 2013 and 31 December 2014 and for the six months ended 30 June 2015 as extracted from the interim report of the Company, respectively.

	Year ended 31 December 2013	**Year ended 31 December 2014**	**Six months ended 30 June 2015**
	HK$'000	*HK$'000*	*HK$'000*
	(audited)	*(audited)*	*(unaudited)*
Turnover	4,880	5,351	2,505
Gross profit	3,989	4,633	2,101
Loss before taxation	(37,144)	(24,043)	(11,170)
Loss for the year	(37,144)	(24,043)	(11,170)

	As at 31 December 2013	**As at 31 December 2014**	**As at 30 June 2015**
	HK$'000	*HK$'000*	*HK$'000*
Consolidated net asset value attributable to owners of the Company	312,854	290,446	281,343

Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) immediately before Completion; (ii) as at the Latest Practicable Date; and (iii) assuming that all of the Options are exercised and converted into Shares prior to the close of the Offers:

	(i) Immediately before Completion		**(ii) As at the Latest Practicable Date**		**(iii) Assuming that all Options have been exercised and converted into Shares prior to the close of the Offers**	
	Number of Shares held	*Approximate % of Shares in issue*	*Number of Shares held*	*Approximate % of Shares in issue*	*Number of Shares held*	*Approximate % of Shares in issue*
The Offeror and parties acting in concert with it	–	0.00	1,652,910,365	62.00	1,652,910,365	58.63
The Vendors *(Note 1)*						
Vendor A	976,720,587	37.00	–	0.00	–	0.00
Vendor B	47,443,003	1.80	–	0.00	–	0.00
Vendor C	628,746,775	23.81	–	0.00	–	0.00
Subtotal:	1,652,910,365	62.61	–	0.00	–	0.00
The Directors *(Note 2)*						
Cheong Pin Chuan, Patrick	3,736,700	0.14	–	–	26,000,000	0.92
Cheong Sim Eng	–	–	–	–	26,000,000	0.92
Cheong Hooi Kheng	2,200,000	0.08	–	–	26,000,000	0.92
Chan Yee Hoi Robert	–	–	586,000	0.02	586,000	0.02
Leung Wing Ning	–	–	700,000	0.03	700,000	0.03
Kwik Sam Aik	–	–	700,000	0.03	700,000	0.03
Subtotal:	5,936,700	0.22	1,986,000	0.08	79,986,000	2.84
Barragan Trading Corp. *(Note 3)*	285,312,566	10.81	285,312,566	10.70	285,312,566	10.12
Public Shareholders						
Dekker Assets Ltd.	260,778,106	9.88	260,778,106	9.78	260,778,106	9.25
Regent Trading Limited	146,061,276	5.53	146,061,276	5.48	146,061,276	5.18
Other Optionholders	–	0.00	–	0.00	75,200,000	2.67
Other public Shareholders	288,803,071	10.95	318,853,771	11.96	318,853,771	11.31
Subtotal:	695,642,453	26.36	725,693,153	27.22	800,893,153	28.41
Total	2,639,802,084	100.00	2,665,902,084	100.00	2,819,102,084	100.00

Notes

1. Hong Fok Corporation Limited ("HFC") was deemed to have the same beneficial interests as the wholly owned subsidiaries, Vendor A and Vendor B, in the issued share capital of the Company by virtue of HFC's interest in Vendor A and Vendor B. Vendor A and Vendor B were directly interested in 976,720,587 and 47,443,003 Shares respectively. HFC beneficially owned 42.07% of the issued share capital of Hong Fok Land International Limited ("HFL") and was deemed to have the same beneficial interests as HFL in 628,746,775 Shares.

   HFL was deemed to have the same beneficial interests as its wholly owned subsidiary, Hong Fok Land Asia Limited ("HFLA"), in the issued share capital of the Company by virtue of HFL's interest in HFLA. HFLA was deemed to have the same beneficial interests as its wholly owned subsidiary, Vendor C, in the issued share capital of the Company by virtue of HFLA's interests in Vendor C.

2. As at the Latest Practicable Date, (i) each of Cheong Pin Chuan, Patrick, Cheong Sim Eng and Cheong Hooi Kheng held 26,000,000 Options with an exercise price of HK$0.1168 per Share; (ii) Chan Yee Hoi Robert held 586,000 Shares and (iii) each of Leung Wing Ning and Kwik Sam Aik held 700,000 Shares.

3. To the best of the Directors' knowledge, information and belief, Barragan Trading Corp. was beneficially owned by Mr. Shaw Vee King as at the Latest Practicable Date.

Save for the 153,200,000 outstanding Options, as at the Latest Practicable Date, the Company had no other outstanding convertible securities, options, warrants or derivatives in issue which confer any right to subscribe for, convert or exchange into Shares and rights over Shares.

INFORMATION OF THE OFFEROR

The Offeror is an investment holding company incorporated on 29 September 2009 in Hong Kong with limited liability and as at the Latest Practicable Date, the Offeror is wholly owned by Mr. Li, who is also the sole director of the Offeror.

Mr. Li is an entrepreneur focused in investment holding and management of various enterprises mainly located in the Jilin province, PRC covering railroad communication & logistics, mining and refinery, natural resources, property development, banking, and financial leasing, etc. He holds a Doctor of Philosophy Degree awarded by the Jilin University of China.

Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them did not hold any securities of the Company and were third parties independent of the Company and its connected persons.

OFFEROR'S INTENTION ON THE COMPANY

Following the close of the Offers, the Offeror intends to continue the existing principal businesses of the Group with a primary focus on the Group's property related businesses. With regard to the current financial situation of the Group, subject to further due diligence, the Offeror may procure the Company to conduct equity and/or debt financing following the close of the Offers in order to improve the financial position of the Group. Furthermore, the Offeror also intends to identify opportunistic investments and/or joint ventures that will provide positive synergies effect to the existing businesses of the Group. However, as of the Latest Practicable Date, no such investment and/or business opportunities have been identified. Furthermore, the Offeror will have to conduct a review on the financial position and the operations of the Group before it may formulate any long-term business plans and strategy of the Group, explore other business opportunities and consider whether any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate to enhance the long term growth potential of the Group. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

Compulsory Acquisition

The Offeror does not intend to exercise any power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Offers after the close of the Offers.

Dealing and interests in the Company's securities

Save for the Sale Shares, none of the Offeror, its ultimate beneficial owner, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of the Holding Announcement and up to and including the Latest Practicable Date.

Other arrangements

The Offeror confirms that as at the Latest Practicable Date:

(i) the Offeror, its ultimate beneficial owners, and/or parties acting in concert with any of them had not received any irrevocable commitment to accept or not to accept the Offers;

(ii) there was no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owners and/or any person acting in concert with any of them;

(iii) save for the Sale and Purchase Agreement, there was no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offers (as referred to in Note 8 to Rule 22 of the Takeovers Code);

(iv) save for the Sale Shares, none of the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them owned or had control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;

(v) there was no agreement or arrangement to which the Offeror, its ultimate beneficial owners and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offers; and

(vi) there was no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owners, and/or any party acting in concert with any of them has borrowed or lent.

PROPOSED CHANGE OF BOARD COMPOSITION

The Board is currently made up of six Directors, comprising (i) three executive Directors, namely Messrs. Cheong Pin Chuan, Patrick and Cheong Sim Eng and Ms. Cheong Hooi Kheng; and (ii) three independent non-executive Directors, namely Messrs. Chan Yee Hoi, Robert, Kwik Sam Aik and Leung Wing Ning.

Under the Sale and Purchase Agreement, the Vendors have agreed to procure such Directors as may be required by the Offeror to resign as Directors and directors of the subsidiaries of the Company at the earliest time permitted under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer Period, subject to the requirements of the Takeovers Code.

The Offeror intends to nominate new Directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code:

Executive Directors

1. Mr. Chen Meng（陳猛）be appointed as an executive Director. Mr. Chen, aged 43, is currently the General Manager of Jilin Xin Tian Di Investment Limited and Changchun Xin Tian Di Investment Group Limited. He was the general manager of Jilin Long Xin Asset Management Company from 2003 to 2006. Prior to that he was in charge of the Finance department of the Changchun office of China Petroleum Group;

2. Mr. Yuan Li Min（原立民）be appointed as an executive Director. Mr. Yuan, aged 56, is currently the non-executive director and chairman of Asia Fashion Holdings Limited ("**Asia Fashion**"), currently listed in the main board of the Singapore

Stock Exchange, a company principally engaged in the design, manufacturing and sales of new construction materials in the PRC. Mr. Yuan is also a senior business analyst with American Etech Securities Inc., he has more than 30 years' valuable experience in the capital, investment and financial analysis and handled more than 15 listing and fund raising projects in the PRC. He was the general manager of the CAD Company of the China Ministry of Aerospace from 1987 to 1998 and an analyst with the Beijing Government's Finance office from 1982 to 1985. Mr. Yuan graduated with a Bachelor Degree in Finance at the Beijing Institute of Technology;

3. Mr. Mak Tin Sang（麥天生）be appointed as an executive Director. Mr. Mak, aged 59, is currently the chief executive officer and executive director of Asia Fashion. Previously, Mr. Mak joined Singapore Catalyst-listed Armarda Group Limited as chief financial officer in 2004 and was appointed as executive director in June 2013. Mr. Mak was the chief financial officer of another Singapore main board listed LottVision Limited between August 2001 and September 2003. Mr. Mak holds a Master's Degree in Business Administration awarded by the University of Sheffield, U.K.. He is also a fellow member of the United Kingdom Chartered Association of Certified Accountants and an associate member of the Australian Certified Management Accountants;

Non-Executive Director

1. Mr. Li Feng Mao（李豐茂）be appointed as an non-executive Director and the Chairman of the Board. Mr. Li, aged 46, is an entrepreneur focused in investment holding and management of various enterprises mainly located in the Jilin province, PRC covering railroad communication & logistics, mining and refinery, natural resources, property development, banking, and financial leasing, etc. Mr. Li holds a Doctor of Philosophy Degree awarded by the Jilin University of China;

Independent non-executive Directors

1. Mr. Shigeki Tanaka（田中茂樹）be appointed as an independent non-executive Director. Mr. Tanaka, aged 51, is currently the chief executive officer of T&C XTF Japan, Inc. and he has been serving the T&C Group and acting as the chairman and chief executive officer of its major subsidiaries since August 2001 Mr. Tanaka has been working as senior management of Mizuho Securities Co., Ltd, Credit Lyonnais Securities, Tokyo and Tokai Tokyo Securities Co., Ltd. respectively from April 1998 to August 2001;

2. Mr. Li Jing Bo（李景波）be appointed as an independent non-executive Director. Mr. Li Jing Bo, aged 44, has over 20 years of experience in finance industry. Mr. Li Jing Bo was appointed as manager of the security management department of Fuyou Securities Brokerage Co, Ltd. in January 2001. He worked for Soochow Securities Co., Limited as deputy general manager of online trading department and then became general manager of the Shanghai branch from 2002 to September 2006. He acted as deputy general manager of the human resource department of Essence Securities Co., Limited from September 2006 to December 2009. In

January 2010, Mr. Li Jing Bo was appointed as general manager of Essence Futures Co., Limited and was appointed as the director of Essence International Financial Holding Limited since April 2012; and

3. Mr. Leung Po Hon（梁寶漢）be appointed as an independent non-executive Director and the Chairman of the audit committee of the Company. Mr. Leung, aged 51, is currently a practicing director of Poon and Tong C.P.A. Limited, which he joined in 2001. Mr. Leung has served as an independent non-executive director of CY Foundation Group Limited (Stock Code: 1182) and China Investment Fund Company Limited (Stock Code: 0612) since 16 July 2015 and 1 May 2015 respectively, both of the companies are listed on the main board of the Stock Exchange. Mr. Leung has also served as an independent non-executive director of Flying Financial Service Holdings Limited (Stock Code: 8030), a company listed on the Hong Kong Growth Enterprise Market of the Stock Exchange since 15 August 2014. Mr. Leung graduated and obtained a Professional Diploma in accountancy from the Hong Kong Polytechnic (now known as The Hong Kong Polytechnic University) in November 1987. Mr. Leung obtained a Master Degree in Business Administration from the University of Bradford of the United Kingdom in December 1990. He has been a member of the Hong Kong Institute of Certified Public Accountant since January 1993 and a fellow member of the Chartered Certified Accountants since January 1997. Mr. Leung has more than 25 years of experience in accounting, auditing and financial management.

Further announcement will be published by the Company in respect of the changes to the Board pursuant to Rule 13.51(2) of the Listing Rules as and when appropriate.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offers and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that a sufficient public float exists for the Shares.

In the event that after the completion of the Offers, the public float of the Company falls below 25%, the Offeror and the Company will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offers to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

GENERAL

All communications, notices, Forms of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Securities Holders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Offeror, Get Nice Securities, Veda Capital and any of their respective directors nor other parties involved in the Offers or any of their respective agents accept any liability for any loss in postage or any other liabilities that may arise as a result thereof. Further details have been set out in Appendix I to this Composite Document and in the Forms of Acceptance.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Board, the letter from the Independent Board Committee and the letter from the Independent Financial Adviser as set out in this Composite Document, the accompanying Forms of Acceptance and the additional information set out in the appendices to, which form part of, this Composite Document.

Yours faithfully
For and on behalf of
Get Nice Securities Limited
Larry Ng
Director

WINFOONG INTERNATIONAL LIMITED
(榮豐國際有限公司*)

(Incorporated in Bermuda with limited liability)
(Stock code: 63)

Executive Directors
Mr. Cheong Pin Chuan, Patrick
Mr. Cheong Sim Eng
Ms. Cheong Hooi Kheng

Independent non-executive Directors
Mr. Chan Yee Hoi, Robert
Mr. Kwik Sam Aik
Mr. Leung Wing Ning

Registered office
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Head Office and Principal place of business in Hong Kong
Room 3201
9 Queen's Road Central
Hong Kong

6 November 2015

To the Independent Securities Holders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFERS BY GET NICE SECURITIES FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL THE OUTSTANDING OPTIONS OF WINFOONG INTERNATIONAL LIMITED

INTRODUCTION

References are made to the Holding Announcement and the Joint Announcement.

On 18 September 2015, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Vendors and the Guarantors to acquire the Sale Shares from the Vendors for a total cash consideration of HK$598,022,970.06 (equivalent to approximately HK$0.3618 per Sale Share). Completion took place immediately upon the signing of the Sale and Purchase Agreement.

* *For identification purpose only*

Immediately following Completion and as at the Latest Practicable Date, the Offeror and the parties acting in concert with it were interested in 1,652,910,365 Shares, representing approximately 62.00% of the existing issued ordinary share capital of the Company. In addition, as at the Latest Practicable Date, the Company had 153,200,000 outstanding Options. Pursuant to Rules 26.1 and 13.1 of the Takeovers Code, the Offeror is required to make unconditional mandatory cash offers for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) and to cancel all the outstanding Options.

An Independent Board Committee, comprising two independent non-executive Directors, namely Kwik Sam Aik and Leung Wing Ning, has been established to make recommendation to the Independent Securities Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance thereof.

The above-named independent non-executive Directors have no direct or indirect interest in the Offers other than as Shareholders as disclosed under note 2 in the section headed "Shareholding structure of the Company" in the "Letter from Get Nice Securities". It is considered appropriate for them to be members of the Independent Board Committee in this regard.

Messrs. Chan Yee Hoi, Robert, an independent non-executive Director, apart from being an Shareholder as disclosed under note 2 in the section headed "Shareholding structure of the Company" in the "Letter from Get Nice Securities", is also a director of Hong Fok Land International Limited, which is one of the Guarantors. Accordingly, Messrs. Chan Yee Hoi, Robert is considered to be interested in the Offers and has not been appointed as a member of the Independent Board Committee in accordance with Rule 2.8 of the Takeovers Code.

BOSC has been appointed as the independent financial adviser to advise the Independent Board Committee in respect of the Offers pursuant to Rule 2.1 of the Takeovers Code. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

The purpose of this Composite Document is to provide you with, inter alia, information relating to the Group and the recommendation of the Independent Board Committee to the Independent Securities Holders regarding the Offers, and the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Securities Holders on the Offers.

THE OFFERS

Get Nice Securities, for and on behalf of the Offeror, is making the Offers in accordance with the Takeovers Code on the following basis:

Share Offer:
For each Offer Share **HK$0.3619 in cash**

The Offer Price of HK$0.3619 per Offer Share is equal to the consideration per Sale Share of HK$0.3619 (rounded up to 4 decimal places) paid by the Offeror under the Sale and Purchase Agreement. The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the posting of this Composite Document.

Option Offer:
For cancellation of each Offer Option **HK$0.2451 in cash**

As all the Options are in-the-money, the Option Offer Price for each Offer Option represents the difference between the Offer Price and the exercise price of HK$0.1168 of these Options.

As at the Latest Practicable Date, the Company had 2,665,902,084 Shares in issue and 153,200,000 Options remain outstanding.

Further details of the Offers

Further details of the Offers including, among others, the terms and conditions and the procedures for acceptance and settlement are set out in the "Letter from Get Nice Securities", Appendix I to this Composite Document and the accompanying Forms of Acceptance.

INFORMATION OF THE GROUP

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the main board of the Stock Exchange. The Group is principally engaged in property related businesses, the provision of horticultural services and securities trading business.

Your attention is drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the Group.

INFORMATION OF THE OFFEROR

Your attention is drawn to the section headed "INFORMATION OF THE OFFEROR" in the "Letter from Get Nice Securities" of this Composite Document.

FUTURE OF THE GROUP AND CHANGES OF DIRECTORS

Please refer to the sections headed "OFFEROR'S INTENTION ON THE COMPANY" and "PROPOSED CHANGE OF BOARD COMPOSITION" in the "Letter from Get Nice Securities" for detailed information on the Offeror's intention on the business and management of the Group. The Directors are aware of the intentions of the Offeror in respect of the Group, its employees and the proposed appointment of new Directors after the despatch of this Composite Document.

The Directors, who will resign after the close of the Offers, are willing to render reasonable co-operation with the Offeror during the Offer Period which is in the interests of the Company and the Shareholders as a whole.

MAINTAINING THE LISTING STATUS OF THE COMPANY

As mentioned in the "Letter from Get Nice Securities", it is the intention of the Offeror to maintain the listing of Shares on the Stock Exchange after the close of the Offers, and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offers to ensure that a sufficient public float exists for the Shares.

In the event that after the completion of the Offers, the public float of the Company falls below 25%, the Offeror and the Company will undertake to the Stock Exchange that they will take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the close of the Offers to ensure that sufficient public float exists for the Shares.

The Stock Exchange has stated that if, upon closing of the Offers, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

RECOMMENDATION

Independent Securities Holders are advised to read the recommendation of the Independent Board Committee set out in the "Letter from the Independent Board Committee" and the advice of the Independent Financial Adviser set out in the "Letter from the Independent Financial Adviser" of this Composite Document before deciding on the actions to be taken on the Offers.

ADDITIONAL INFORMATION

Your attention is also drawn to the "Letter from Get Nice Securities" and the additional information contained in the appendices to this Composite Document and the accompanying Forms of Acceptance.

Yours faithfully
By order of the Board
Winfoong International Limited
Cheong Pin Chuan, Patrick
Joint Chairman and Joint Managing Director

WINFOONG INTERNATIONAL LIMITED
(榮豐國際有限公司*)
(Incorporated in Bermuda with limited liability)
(Stock code: 63)

6 November 2015

To the Independent Securities Holders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFERS BY GET NICE SECURITIES FOR AND ON BEHALF OF THE OFFEROR TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT) AND TO CANCEL ALL THE OUTSTANDING OPTIONS OF WINFOONG INTERNATIONAL LIMITED

INTRODUCTION

We refer to this Composite Document dated 6 November 2015 jointly issued by or on behalf of the Offeror and the Company of which this letter forms part. Terms used in this letter shall have the same meanings as those defined in this Composite Document unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the Offers and to make a recommendation to you as to whether, in our opinion, the terms of the Offers are fair and reasonable so far as the Independent Securities Holders are concerned and as to acceptance thereof.

BOSC has been appointed as the Independent Financial Adviser to advise us in respect of the terms of the Offers and as to acceptance thereof. Details of its advice and the principal factors taken into consideration by it in arriving at its advice and recommendation are set out in the letter from the Independent Financial Adviser in this Composite Document.

We also wish to draw your attention to the letter from the Board, the letter from Get Nice Securities and the additional information set out in the appendices to this Composite Document.

* *For identification purpose only*

RECOMMENDATION

Having taken into account the terms of the Offers and the advice and recommendation from the Independent Financial Adviser, we are of the opinion that the terms of the Offers are fair and reasonable so far as the Independent Securities Holders are concerned and therefore we recommend the Independent Securities Holders to accept the Offers.

Shareholders who would like to realise part of or all of their investments in the Shares should closely monitor the market prices of the Shares during the period of the Share Offer. In the event that the market price of the Shares exceeds the Offer Price during the period of the Share Offer and if the net proceeds from disposing of the Shares in the open market (after deducting all transaction costs) would exceed the net amounts receivable from accepting the Share Offer (after deducting all transaction costs), the Shareholders should consider selling their Shares in the open market instead of accepting the Share Offer.

In any event, the Optionholders are advised to exercise their Options and dispose of the Shares so converted in the open market if the market price per Share exceeds the sum of the exercise price of the Options and the Option Offer Price and the net proceeds from such actions (after deducting all transaction costs) would exceed the net amount receivable under the Option Offer (after deducting all transaction costs). The Optionholders should exercise caution in doing so and closely monitor the stock market and trading price and liquidity of the Shares during the Offer Period.

Notwithstanding our recommendation, the Independent Securities Holders are strongly advised that the decision to realise or to hold your investment in the Shares and Options is subject to individual circumstances and investment objectives and they should consider carefully the terms of the Offers. If in doubt, the Independent Securities Holders should consult their own professional advisers for professional advice. Furthermore, the Independent Securities Holders who wish to accept the Offers are recommended to read carefully the procedures for accepting the Offers as detailed in this Composite Document.

Yours faithfully,
For and on behalf of
Independent Board Committee
Winfoong International Limited

Kwik Sam Aik	**Leung Wing Ning**
Independent non-executive Director	*Independent non-executive Director*

上銀國際有限公司
BOSC International Company Limited

Suite 2608-2611 Citibank Tower
Citibank Plaza, 3 Garden Road
Hong Kong

6 November 2015

*To the Independent Board Committee and
Independent Securities Holders*

Dear Sir or Madam,

**UNCONDITIONAL MANDATORY CASH OFFERS BY
GET NICE SECURITIES LIMITED
FOR AND ON BEHALF OF THE OFFEROR
TO ACQUIRE ALL THE ISSUED SHARES
(OTHER THAN THOSE ALREADY OWNED BY THE OFFEROR AND PARTIES
ACTING IN CONCERT WITH IT) AND
TO CANCEL ALL THE OUTSTANDING OPTIONS
OF WINFOONG INTERNATIONAL LIMITED**

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Securities Holders in respect of the Offers, details of which are set out in the composite offer and response document jointly issued by the Offeror and the Company (the "**Composite Document**") dated 6 November 2015, of which this letter forms part. Capitalized terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

Pursuant to Rule 2.8 of the Takeovers Code, members of an independent committee of a company's board of directors should comprise all non-executive directors of the company who have no direct or indirect interest in any offer or possible offer for consideration by the independent committee other than, in the case of a director of the offeree company, as a shareholder of the offeree company. Given that Messrs. Chan Yee Hoi, Robert, an independent non-executive Director, apart from being a Shareholder, is also a director of Hong Fok Land International Limited, which is one of the Guarantors, accordingly, Messrs. Chan Yee Hoi, Robert is considered to be interested in the Offers and has not been appointed as a member of the Independent Board Committee in accordance with Rule 2.8 of the Takeovers Code.

An Independent Board Committee, comprising two independent non-executive Directors, namely Kwik Sam Aik and Leung Wing Ning, has been established to make recommendation to the Independent Securities Holders as to whether the terms of the Offers are fair and reasonable and as to acceptance thereof.

We are appointed as the Independent Financial Adviser to advise the Independent Board Committee as to (i) whether the Offers are on normal commercial terms and are fair and reasonable so far as the Independent Securities Holders are concerned; and (ii) whether the Offers should be accepted. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

BASIS OF OUR OPINION

In formulating our opinion, we have relied upon the information, facts and representations contained in the Composite Document and those supplied or made available to us by the Company, the Directors and the representatives of the Company for which they are solely and wholly responsible, and to their information and knowledge, were true, accurate and complete in all respects at the time they were given or made and continue to be true, accurate and valid as at the Latest Practicable Date and can be relied upon. We have assumed that all statements and information supplied, and the opinions and representations made or provided to us by the Directors and the representatives of the Company and those contained in the Composite Document have been reasonably made after due and careful enquiry.

As stated in Appendix IV to the Composite Document, the Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Composite Document (other than the opinion expressed by the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

As stated in Appendix V to the Composite Document, the sole director of the Offeror accepts full responsibility for the accuracy of the information contained in the Composite Document (other than the information relating to the Group, the Vendors and parties acting in concert with any one of them), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in the Composite Document (other than the opinion expressed by the Group, the Vendors and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document, the omission of which would make any statement contained in the Composite Document misleading.

We consider that we have reviewed sufficient information to reach an informed view, to justify reliance on accuracy of the information contained in the Composite Document and to provide a reasonable basis for our recommendation. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions and representations provided to us by the Company, the Directors and the representatives of the Company or to believe that material information has been withheld or omitted from the information provided to us or referred to in the available documents. We have not, however, conducted any independent verification of the information provided, nor have we conducted any independent investigation into the business or affairs or future prospects of the Company, or any of their respective subsidiaries or associates.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and advice in respect of the Offers, we have considered the following principal factors and reasons:

1. *Background of the Offers*

On 18 September 2015, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Vendors and the Guarantors to acquire the Sale Shares from the Vendors for a total cash consideration of HK$598,022,970.06 (equivalent to approximately HK$0.3618 per Sale Share). As at the Latest Practicable Date, the Sale Shares, being 1,652,910,365 Shares, represent approximately 62.00% of the existing issued ordinary share capital of the Company. Completion took place immediately upon the signing of the Sale and Purchase Agreement.

Immediately following Completion, the Offeror and the parties acting in concert with it are interested in 1,652,910,365 Shares, representing approximately 62.00% of the existing issued ordinary share capital of the Company as at the Latest Practicable Date. In addition, as at the Latest Practicable Date, the Company has 153,200,000 outstanding Options. Pursuant to Rules 26.1 and 13.1 of the Takeovers Code, the Offeror is required to make unconditional mandatory cash offers for all the issued Shares (other than those already owned by the Offeror and parties acting in concert with it) and to cancel all the outstanding Options.

Immediately after Completion and on the basis that there are 1,012,991,719 Shares and 153,200,000 Options subject to the Offers (assuming none of the Options are exercised prior to the close further Offers), the aggregate value of the Offers is HK$404,151,023 (the Share Offer and the Option Offer being valued at HK$366,601,703 and HK$37,549,320, respectively). Assuming that all the Options are exercised by the Optionholders and converted into Shares prior to the close of the Offers, 1,166,191,719 Shares will be subject to the Share Offer and the Share Offer will be valued at approximately HK$422,044,783.

2. *Information on the Group*

2.1 *Principal business of the Group*

The Group is principally engaged in property related businesses, the provision of horticultural services, and securities trading business. For the two years ended 31 December 2013 and 2014, and six months ended 30 June 2015, the Group's income was mainly derived from property related businesses and the provision of horticultural services.

2.2 Historical financial performance of the Group

The unaudited consolidated financial results of the Company which were extracted from the interim report of the Company for the six months ended 30 June 2015 and the audited consolidated financial results of the Group which were extracted from the annual report of the Company for the year ended 31 December 2014 are summarised as follows:

	Six months ended 30 June		**For the year ended 31 December**	
	2015 ("1H2015") (unaudited)	**2014 ("1H2014") (unaudited)**	**2014 ("FY2014") (audited)**	**2013 ("FY2013") (audited)**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	2,505	3,024	5,351	4,880
– Property management and other related services	*103*	*217*	*457*	*429*
– Horticultural services	*2,402*	*2,807*	*4,894*	*4,451*
Gross profit	2,101	2,518	4,633	3,989
Gross profit margin	83.9%	83.3%	86.6%	81.7%
Net gain/(loss) on trading securities	48	1	33	(171)
Other revenue	4,579	4,002	8,504	6,337
Other net (loss)/income	(9)	2,375	2,763	1,471
Operating and administrative expenses	(17,889)	(17,395)	(39,976)	(48,770)
Loss before taxation	**(11,170)**	**(8,499)**	**(24,043)**	**(37,144)**
Net loss for the year	**(11,170)**	**(8,499)**	**(24,043)**	**(37,144)**

Comparison of historical results between years/periods

FY2014 vs FY2013

The Group's income from property related businesses are recognised in the Group's turnover and other revenue, whereas the Group's income from horticultural services are recognised in the Group's turnover. Other revenue of the Group was mainly derived from rental income from operating leases, and such rental income from operating leases amounted to approximately HK$5.8 million for FY2014. Combining the Group's turnover and other revenue, the Group's income from property related businesses amounted to approximately HK$6.3 million in total for FY2014.

For FY2014, the increase in the Group's turnover of approximately HK$0.5 million as compared to FY2013 was mainly attributable to the increase in turnover from the provision of horticultural services.

Gross profit of the Group for FY2014 was approximately HK$4.6 million, which represented an approximately 15.0% increase from FY2013. Such increase was in line with the increase in the Group's turnover during the year. The gross profit margin improved from approximately 81.7% for FY2013 to approximately 86.6% for FY2014 due to relatively higher margin from the Group's provision of horticultural services.

Other revenue of the Group was mainly derived from rental income from operating leases from the Group's properties held for sale, namely residential units of The ICON, and management fee income received from a fellow subsidiary of the Company relating to the sharing of office expenses. For the avoidance of doubt, as residential units of The ICON are recognised as properties held for sale in the Company's financial statements (and not as investment properties), their related rental income are recognised as other revenue (and not turnover). For FY2014, rental income from operating leases amounted to approximately HK$5.8 million and contributed to approximately 68.7% of other revenue. This represented an approximately 72.5% increase from approximately HK$3.4 million in FY2013. For FY2014, management fee income amounted to approximately HK$2.5 million and contributed to approximately 29.4% of other revenue. This represented an approximately 7.4% decrease from HK$2.7 million in FY2013.

The Group recorded net loss for FY2014 of approximately HK$24.0 million, as compared to net loss for FY2013 of approximately HK$37.1 million. Such narrowing of net loss for FY2014 was mainly attributable to the increase in revenue during FY2014 and an increase in other revenue and other net income as a result of increased rental income from operating leases and a larger write-back of provision for construction costs during FY2014. Operating and administrative expenses as a percentage of turnover also decreased during FY2014 as compared to FY2013 as a result of no equity-settled share-based payment expenses for FY2014, which further contributed to the narrowing of net loss for FY2014.

1H2015 vs 1H2014

Similar to FY2013 and FY2014, the Group's income from property related businesses are recognised in the Group's turnover and other revenue, whereas the Group's income from horticultural services are recognised in the Group's turnover. Other revenue of the Group was mainly derived from rental income from operating leases.

For 1H2015, the decrease in the Group's turnover of approximately HK$0.5 million as compared to 1H2014 was attributable to the decrease in turnover of approximately HK$0.4 million from the provision of horticultural services and approximately HK$0.1 million from property management and other related services.

Gross profit of the Group for 1H2015 was approximately HK$2.1 million, which represented an approximately 16.6% decrease from 1H2014. Such decrease was in line with the decrease in the Group's turnover during the period. The gross profit margin remained at similar level at approximately 83.9% and 83.3% for 1H2015 and 1H2014, respectively.

Other revenue of the Group was mainly derived from rental income from operating leases from the Group's properties held for sale, namely residential units of The ICON, and management fee income received from a fellow subsidiary of the Company relating to the sharing of office expenses. Other revenue for 1H2015 was approximately HK$4.6 million, representing an approximately 14.4% increase compared to that for 1H2014.

The Group recorded net loss for 1H2015 of approximately HK$11.2 million, as compared to net loss for 1H2014 of approximately HK$8.5 million. Such increase in net loss for 1H2015 was mainly attributable to the decrease in revenue from the Group's horticultural services during 1H2015 and other net loss incurred during 1H2015 due to a loss on disposal of equipment and furniture as compared to other net income recorded during 1H2014 due to an approximately HK$2.4 million write-back of provision for construction costs. Operating and administrative expenses as a percentage of turnover also increased during 1H2015 as compared to 1H2014, which further contributed to the increase in net loss for 1H2015.

2.3 Financial position of the Group

Set out below is the summary of the unaudited consolidated assets and liabilities of the Group as at 30 June 2015, details of which are set out in the Company's interim report for the period:

	As at 30 June 2015 (unaudited) *HK$'000*
Non-Current Assets	
– Fixed assets	804
– Available-for-sale financial assets	5,200
	6,004
Current Assets	
– Trading securities	481
– Inventories	249,419
– Trade and other receivables	2,732
– Cash and cash equivalents	30,254
	282,886
Current Liabilities	
– Trade and other payables	7,547
Net assets	281,343
Equity	
– Equity attributable to equity Shareholders	281,343
– Non-controlling interests	–
	281,343

As at 30 June 2015, the Group's total assets amounted to approximately HK$288.8 million, total liabilities amounted to approximately HK$7.5 million and net assets amounted to approximately HK$281.3 million.

Inventories of the Group of approximately HK$249.4 million contributed to approximately 86.4% of total assets as at 30 June 2015, and these inventories almost entirely represented completed properties held for sale (the "**Property Interests**"). The Property Interests as at 30 June 2015 were primarily residential units of The ICON, which is situated on 38 Conduit Road, Mid-Levels, Hong Kong. Total liabilities of the Group as at 30 June 2015 represented the Group's trade and other payables to suppliers.

2.4 Valuation of Property Interests and adjusted net asset value

In respect of the Property Interests, the valuation of the Property Interests conducted by DTZ Debenham Tie Leung Limited ("**DTZ**") as at 31 August 2015 are set out in the property valuation report contained in Appendix III to the Composite Document (the "**Valuation Report**"). The table below summarises the market value of the Property Interests as extracted from the Valuation Report.

	Property	**Market value of the Property Interests as at 31 August 2015** *HK$*
1.	Flats A on 11th, 12th, 17th to 19th, 21st to 23rd, 26th to 28th, 30th and 32nd Floors, Flat B on 32nd Floor, Flats C on 30th to 32nd Floors, Flats D on 11th, 12th, 18th to 23rd, 25th, 26th and 30th to 32nd Floors, Roof A, Roof D, Parking Spaces Nos. 2-8 and Motorcycle Parking Space No. M1 [Note 1], The ICON, 38 Conduit Road, Mid-Levels, Hong Kong	387,100,000
2.	4th Floor, Lico Industrial Building, 324 Kwun Tong Road, Ngau Tau Kok, Kowloon	8,400,000
3.	Goods Vehicle Parking Space No. 7 on Ground Floor, Wing Fok Centre, 1 Luen Chit Street, Fanling, New Territories [Note 2]	500,000
	Total	396,000,000

Notes:

1. We note from the Company that parking spaces nos. 2-8 and motorcycle parking space no. M1 (the "**Disposed Parking Spaces**") have been disposed by the Group to an independent third party at an aggregate consideration of HK$7,100,000 pursuant to a sale and purchase agreement dated 17 September 2015, which was completed on 29 October 2015. Such aggregate consideration is the same as the aggregate market valuation of the Disposed Parking Spaces as at 31 August 2015 based on the Valuation Report.

2. We note from the Company that Sui Chong International (H.K.) Limited, a then subsidiary of the Company which held the goods vehicle parking space no. 7 in Fanling, New Territories (the "**Disposed NT Car Park**"), has been disposed by the Group to an independent third party at a consideration of HK$500,000 pursuant to a sale and purchase agreement dated 17 September 2015, which was completed on 29 October 2015. Such consideration is the same as the market valuation of the Disposed NT Car Park as at 31 August 2015 based on the Valuation Report.

Based on our discussion with DTZ, we note that in performing the valuation of the Property Interests, DTZ has adopted the direct comparison approach by making reference to the comparable sales transactions as available in the relevant market. We have been advised by DTZ that given the particulars of the Property Interests, the above valuation methodologies are commonly used in arriving at the property valuation. Furthermore, we have also discussed with DTZ to understand the assumptions which they have taken into consideration when performing the valuation of the Property Interests (details of the assumptions are set out in the Valuation Report). DTZ also advised that the valuation of the Property Interests was carried out in accordance with the HKIS Valuation Standards 2012 Edition published by the Hong Kong Institute of Surveyors. Based on the above, we believe that the above valuation approach adopted by DTZ in performing the valuation of the Property Interests and the assumptions taken into consideration by DTZ are appropriate.

For the purpose of our analysis on the Offers and to assess the fairness and reasonableness of the Offer Price below, in addition to using the Group's unaudited consolidated net asset value as at 30 June 2015, we have also used the Group's adjusted unaudited consolidated net asset value (the "**Adjusted NAV**") by adjusting for the market valuation of the Property Interests as at 31 August 2015. For the avoidance of doubt, no adjustments for the Disposed Parking Spaces and the Disposed NT Car Park are necessary as the respective disposal considerations are the same as the respective market valuations as at 31 August 2015 based on the Valuation Report.

As advised by the Company, the Adjusted NAV is calculated by:

	HK$'000
The Group's unaudited consolidated net asset value as at 30 June 2015	281,343
Plus: market valuation of the Property Interests based on the Valuation Report	396,000
Sub-tract: the Group's Property Interests as at 30 June 2015 as per published interim report	(249,758)
The Adjusted NAV	427,585

The Adjusted NAV per Share is therefore approximately HK$0.1604 (based on 2,665,902,084 Shares in issue as at the Latest Practicable Date), and the Offer Price of HK$0.3619 per Offer Share represents a premium of approximately 125.62% to the Adjusted NAV per Share.

3. Future prospects and outlook of the Group

As stated in the letter from Get Nice Securities as set out in the Composite Document (the "**Letter from Get Nice Securities**"), following the close of the Offers, the Offeror intends to continue the existing principal businesses of the Group with a primary focus on the Group's property related businesses. As stated in the section headed "2.2 Historical financial performance of the Group" above, the Group's income from property related businesses was recognized in the Group's turnover and other revenue. Also stated in the section headed "2.3 Financial position of the Group" above, approximately 86.4% of the Group's total assets as at 30 June 2015 comprised of inventories, which were mainly completed properties held for sale in Hong Kong (representing mainly the 30 residential units of The ICON which are still available for sale). As such, we consider that the future outlook of the property market in Hong Kong, in particular the residential property market in Hong Kong, will have direct impact on the future prospects and profitability of the Group.

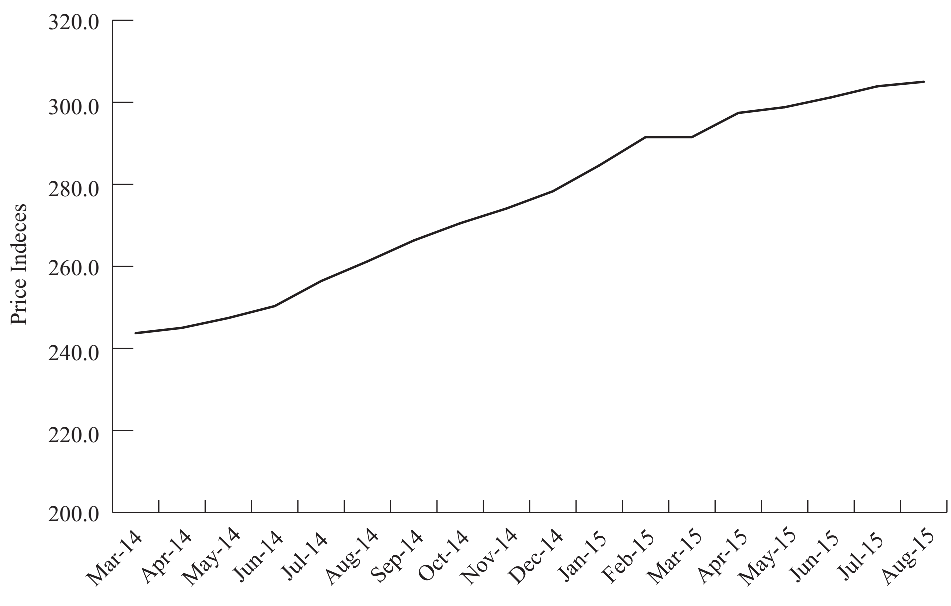
Overview on the broad property market in Hong Kong

According to a research report published by CBRE Group, Inc. in the third quarter of 2015 (the "**CBRE Research**"), despite the United States ("**US**") Federal Reserve once again delaying interest rate hikes to until at least the end of 2015 due to the weaker than expected recovery in the US economy and the slowdown in GDP growth of the PRC, investment outlook in respect of the overall Hong Kong property market is expected to remain cautious in the near term due to the broad macro-economic environment.

According to another research report published by Savills plc in July 2015 (the "**Savills Research**"), in respect of the residential sales market in Hong Kong, the primary sales value reached a historical high in the second quarter of 2015 partly due to the sale of certain duplex units in Hong Kong. The wild stock market ride in Hong Kong and the PRC during the first quarter of 2015 not only benefited investors but also played a major role in affecting the luxury apartment market both in terms of transaction volumes as well as pricing. Some areas in Hong Kong posted particularly strong price growth, lifted by the buoyant sentiment, but it is unlikely that this will continue during the remainder of 2015. In the short term, the unpredictable stock markets may have an impact on residential property transaction volumes in both Hong Kong and the PRC. Both local and PRC investors can be expected to become relatively more conservative until market volatility eases.

Overview on the residential property market in Hong Kong

According to statistics published by the Rating and Valuation Department of Hong Kong in October 2015, private/residential domestic home prices have been trending upwards since 2014. The chart below shows the price indices of private/residential domestic housings from March 2014 to August 2015.



Source: Rating and Valuation Department of Hong Kong

From the chart above, Hong Kong´s domestic/residential property price index rose approximately 25.2% from March 2014 to August 2015. Although residential property prices have risen historically, it is market consensus that such trend is to slow down in the coming years, possibly due to several factors, mainly (i) the increase in housing supply; (ii) the intensification of government crackdowns on visitors from the PRC; (iii) intensified competition from other global cities like Tokyo, Singapore or London; (iv) Hong Kong's economic slowdown; (v) the potential interest rate rise in the U.S. in the foreseeable future; and (vi) the continuing implementation of government cooling measures.

Having considered the above, in particular the relatively uncertain nature of the macro-economy and analysts' outlook on the residential property market in Hong Kong, we remain cautious about the outlook and the immediate future prospects of the Group.

Background of research report publishers

CBRE Group, Inc. is a multi-national real estate company in the Fortune 500 ranking, and its shares are listed on the New York Stock Exchange. Savills plc is a global real estate services provider, and its shares are listed on the London Stock Exchange and is a constituent of the FTSE 250 Index. Given the size and scale of CBRE Group, Inc. and Savills plc within the real estate industry, we consider the CBRE Research and the Savills Research to be reliable sources.

4. Principal terms of the Offers

Subject to and upon Completion, Get Nice Securities, on behalf of the Offeror, will make the Offers in accordance with the Takeovers Code on the following basis:

Share Offer:

For each Offer Share	**HK$0.3619 in cash**

The Offer Price of HK$0.3619 per Offer Share is equal to the consideration per Sale Share of HK$0.3619 paid by the Offeror under the Sale and Purchase Agreement.

The Offer Shares to be acquired under the Share Offer shall be fully paid and free from all Encumbrances and together with all rights attaching or accruing thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Share Offer is made, being the date of the posting of the Composite Document.

Option Offer:

For cancellation of each Offer Option	**HK$0.2451 in cash**

As all the Options are in-the-money, the Option Offer Price for each Offer Option represents the difference between the Offer Price and the exercise price of HK$0.1168 of these Options.

5. The Offer Price

The Offer Price of HK$0.3619 per Offer Share represents:

(i) a discount of approximately 34.20% to the closing price of HK$0.55 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 42.56% to the last trading price of HK$0.63 per Share as quoted on the Stock Exchange immediately before trading in the Shares was halted on 18 September 2015;

(iii) a discount of approximately 42.56% to the closing price of HK$0.63 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iv) a discount of approximately 41.63% to the average closing price of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK$0.62 per Share;

(v) a discount of approximately 37.60% to the average closing price of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of approximately HK$0.58 per Share;

(vi) a discount of approximately 47.55% to the average closing price of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK$0.69 per Share;

(vii) a premium of approximately 243.03% over the unaudited consolidated net asset value attributable to owners of the Company per Share of approximately HK$0.1055 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 June 2015;

(viii) a premium of approximately 125.62% over the Adjusted NAV per Share of approximately HK$0.1604 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 June 2015;

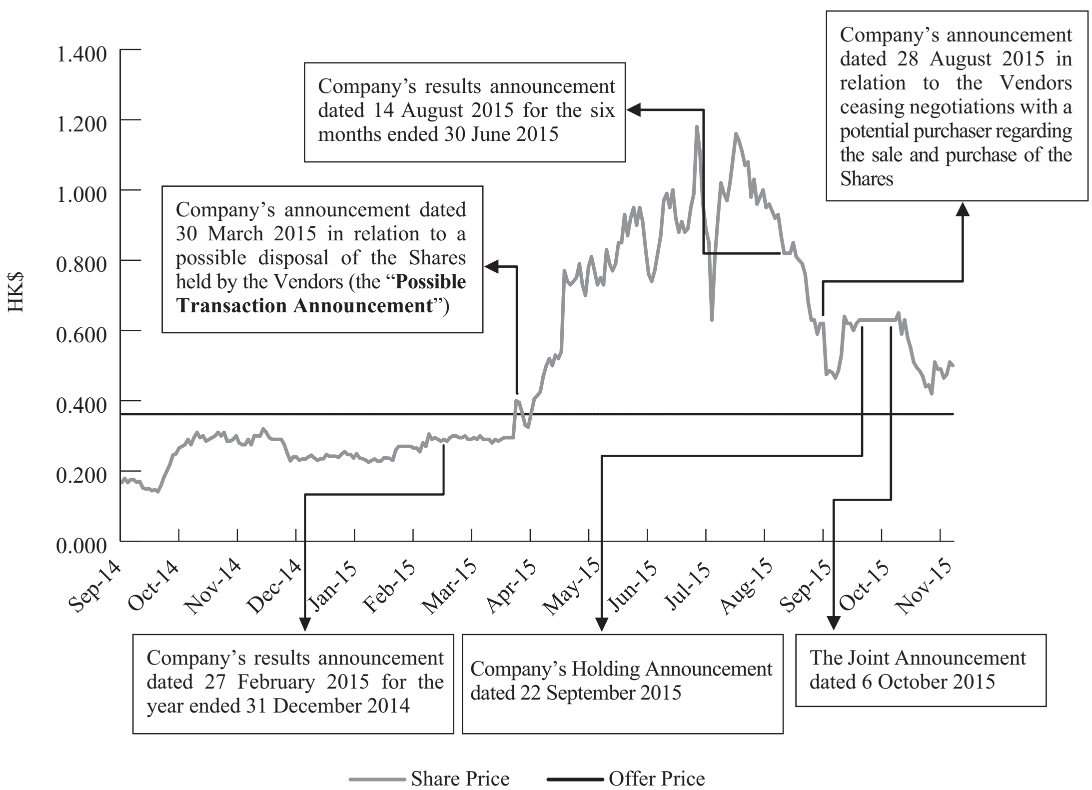
(ix) a premium of approximately 232.32% over the audited consolidated net asset value attributable to owners of the Company per Share of approximately HK$0.1089 per Share (based on the number of issue Shares as at the Latest Practicable Date) as at 31 December 2014, the date to which the latest audited financial results of the Group were made up; and

(x) a premium of approximately 120.40% to the Group's adjusted audited consolidated net asset value by adjusting for the market valuations of the properties held by the Group as at 31 August 2015 of approximately HK$0.1642 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 31 December 2014.

6. Historical performance of the Shares

6.1 Share Price

The following chart sets out the historical trading price performance and trading volume of the Shares during the period from 18 September 2014 (i.e. 12 months before the last trading halt of the Shares on 18 September 2015) up to and including the Latest Practicable Date (the "**Review Period**"):



Source: website of the Stock Exchange

We consider that the length of the Review Period to be reasonably long enough to illustrate the relationship between the historical trend of the closing price of the Shares and the Offer. The chart above represents the daily movement in the closing prices of the Shares against the Offer Price during the Review Period.

During the Review Period, we note that the historical closing prices of the Shares were at a range between HK$0.141 and HK$1.180. Prior to the Possible Transaction Announcement, the price of the Shares were generally below the Offer Price, at a range between HK$0.141 and HK$0.320.

Following the Possible Transaction Announcement, the price of the Shares rose from HK$0.400 to HK$1.180, then fell to HK$0.465 on 4 September 2015. We consider that the significant price fluctuations following the publication of the Possible Transaction Announcement to be possibly attributable to excessive market speculation in relation to the potential sale and purchase of the Shares which could result in a change in control of the Company under the Takeovers Code. We noted that the transaction as contemplated in the Possible Transaction Announcement did not eventually materialize. Since the date of the Possible Transaction Announcement up until 18 September 2015, the Vendors have negotiated with a number of independent third parties. Subsequently, the Company was in negotiation with the Offeror, trading in Shares was suspended on 18 September 2015 and the Holding Announcement was published on 22 September 2015. Following the publication of the Joint Announcement and resumption of trading in the Shares, the price of the Shares fell from HK$0.650 on 7 October 2015 to HK$0.550 on the Latest Practicable Date. We would like to highlight that there is no certainty that such level of Share price, being above the Offer Price, can be sustained in the future.

For our analysis purposes below, we chose the date of the Possible Transaction Announcement as one of the reference points (although the transaction as contemplated in the Possible Transaction Announcement did not eventually materialise) because during the Review Period, the price of the Shares prior to the Possible Transaction Announcement remained relatively stable as compared to the price of the Shares following the Possible Transaction Announcement, and therefore we consider that the more significant price fluctuations following the Possible Transaction Announcement to be possibly attributable to excessive market speculation.

Using the date of the Possible Transaction Announcement (instead of the Last Trading Day) as a comparative basis, the Offer Price represents:

(i) a premium of approximately 22.7% to the closing price of HK$0.295 per Share as quoted on the Stock Exchange on the last trading day before the Possible Transaction Announcement;

(ii) a premium of approximately 23.1% to the average of the closing prices of approximately HK$0.294 per Share for the last five consecutive trading days up to and including the last trading day before the Possible Transaction Announcement; and

(iii) a premium of approximately 24.4% to the average of the closing prices of approximately HK$0.291 per Share for the last ten consecutive trading days up to and including the last trading day before the Possible Transaction Announcement.

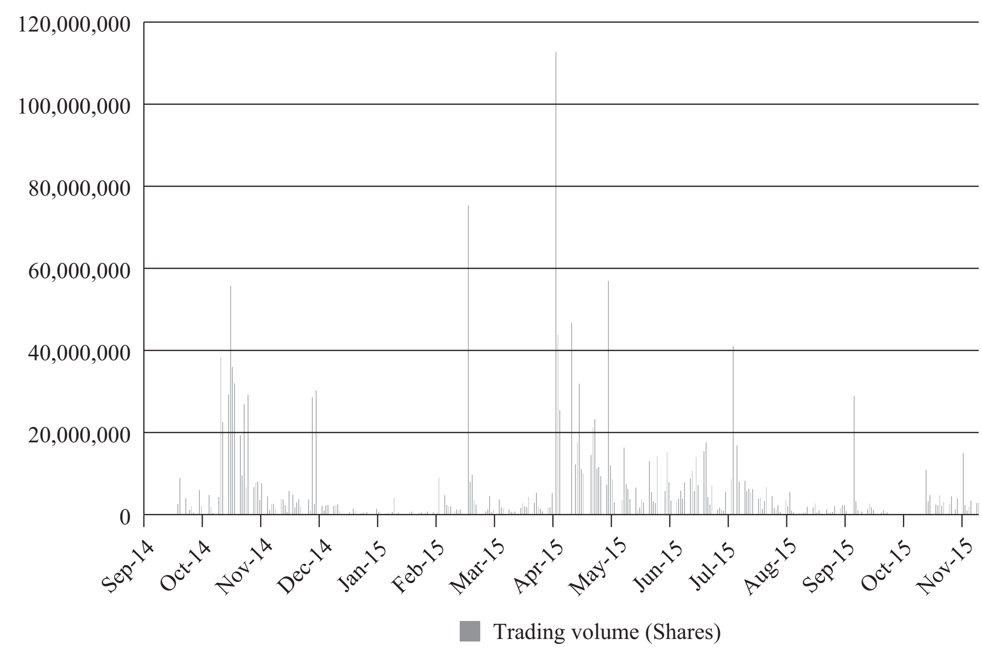
Following the date of the Possible Transaction Announcement, the trading performance of the Shares could have been affected by excessive market speculation brought about by the potential sale and purchase of the Shares which could result in a change in control of the Company under the Takeovers Code, as a result, the Offer Price represents a discount with a range of approximately

37.6% to 56.9% to the average of the closing prices of the Shares as quoted on the Stock Exchange for each of the 5, 10, 30 and 90 consecutive trading days up to and including the Last Trading Day.

In view of the surge in the Share price of the Company, Independent Securities Holders who wish to realize their investment in the Company are reminded that they should carefully and closely monitor the market price of the Company during the Offer Period and consider selling their Shares (in case of Options, upon exercise of the Options) in the open market during the Offer Period, rather than accepting the Offers, if the net proceeds from such sale of the Shares in the open market would exceed the net amount receivable under the Offers.

6.2 Liquidity of the Shares

The chart of daily trading volume of the Shares during the Review Period is as follows:



Source: website of the Stock Exchange

A table showing the average daily volume of the Shares per month and the respective percentages of the average daily trading volume as compared to the total number of issued Shares and total number of issued Shares held by public Shareholders respectively during the Review Period is as follows:

	Total monthly trading volume	**Number of trading days during the month**	**Average daily trading volume**	**Percentage of average daily trading volume to total number of shares in Issue as at the Latest Practicable Date**	**Percentage of average daily trading volume to total number of shares held by public Shareholders as at the Latest Practicable Date**
	(number of shares)	*(days)*	*(number of shares)*	*(%)* *(Note 5)*	*(%)* *(Note 6)*
2014					
September *(Note 1)*	27,769,067	9	3,085,452	0.12%	0.43%
October	351,312,725	21	16,729,177	0.63%	2.31%
November	110,267,937	20	5,513,397	0.21%	0.76%
December	22,722,500	21	1,082,024	0.04%	0.15%
2015					
January	20,101,841	21	957,231	0.04%	0.13%
February	123,218,269	18	6,845,459	0.26%	0.94%
March	157,431,444	22	7,155,975	0.27%	0.99%
April	378,560,499	19	19,924,237	0.75%	2.75%
May	124,714,871	19	6,563,941	0.25%	0.90%
June	178,890,930	22	8,131,406	0.31%	1.12%
July	99,630,956	22	4,528,680	0.17%	0.62%
August	51,232,411	21	2,439,639	0.09%	0.34%
September *(Note 2)*	15,113,938	12	1,259,495	0.05%	0.17%
October *(Note 3)*	69,732,543	17	4,101,914	0.15%	0.57%
November *(Note 4)*	5,814,000	2	2,907,000	0.11%	0.40%

Source: website of the Stock Exchange

Notes:

1. The Review Period commenced from 18 September 2014
2. Trading in Shares was suspended from 18 September 2015
3. Trading in Shares resumed on 7 October 2015
4. Data is up until the Latest Practicable Date

5. Based on 2,665,902,084 Shares in issue as at the Latest Practicable Date

6. Based on 725,693,153 Shares held by the public Shareholders as at the Latest Practicable Date

The average daily trading volume of the Shares per month during the Review Period was ranging from approximately 0.04% in January 2015 to 0.75% in April 2015 of the total number of issued Shares as at the Latest Practicable Date. If only Shares held by public Shareholders, i.e. the free float, are considered in calculating the percentage of average daily trading volume of the Shares per month during the Review Period, the percentage was ranging from approximately 0.13% in January 2015 to 2.75% in April 2015.

On 31 March 2015, the first trading day after the publication of the Possible Transaction Announcement, the daily trading volume was 112,787,344 Shares, representing 15.54% of the Shares held by the public Shareholders as at the Latest Practicable Date. We have enquired with the Directors regarding the possible reasons for the increase in the trading volume after the publication of the Possible Transaction Announcement and were advised that save for the on-going negotiations between the Vendors and various independent third parties regarding the sale and purchase of the Shares which could result in a change in control of the Company under the Takeovers Code and the possibility of the Offers, they were not aware of any other matters which might have impacted on the trading volume. Therefore, we believe that the surge in the trading volume of the Shares immediately after the publication of the Possible Transaction Announcement was likely attributable to the on-going market speculation on the potential sale and purchase of the Shares of the Company which could result in a change in control of the Company under the Takeovers Code as disclosed in the Possible Transaction Announcement.

Comparing with the high volume activities following the Possible Transaction Announcement in April 2015, the average daily trading volume of Shares during the Review Period was generally thin. The average daily trading volume from May 2015 onwards up to the Latest Practicable Date was approximately 0.16% of the total number of Shares in issue.

Given that the trading volume of the Shares fluctuated during the Review Period, it is uncertain as to whether there would be sufficient liquidity in the Shares for the Independent Securities Holders to dispose of a significant number of the Shares in the open market without depressing the Share price. Accordingly, the market trading price of the Shares may not necessarily reflect the proceeds that the Independent Securities Holders can receive by the disposal of their Shares in the open market. Therefore, we are of the view that the Offers represent an opportunity for the Independent Securities Holders, particularly for those who hold a large volume of the Shares, to dispose of part or all of their Shares at the Offer Price if they so wish to.

6.3 Comparable analysis

The Group is principally engaged in property related businesses, the provision of horticultural services and securities trading business. As stated in the Letter from Get Nice Securities, following the close of the Offers, the Offeror intends to continue the existing principal businesses of the Group with a primary focus on the Group's property related businesses. Also stated in the section headed "2.3 Financial position of the Group" above, approximately 86.3% of the Group's total assets as at 30 June 2015 comprised of inventories, which were mainly completed properties held for sale in Hong Kong (representing mainly the 30 residential units of The ICON which are still available for sale). Given the intentions of the Offeror and the asset base of the Group, we consider the Company to be principally a property company and its valuation, to a large extent, should be primarily reflected by the value of its assets, which as stated above represent mainly properties held for sale. We therefore consider it appropriate to compare the Company against other property companies (and not companies that are engaged in horticultural services).

The price-to-book ("**P/B**") ratio and the price-to-earnings ratio are commonly used multiples to perform comparable company analysis. Nonetheless, given that we consider the Company to be principally a property company, we consider the P/B ratio a more appropriate and commonly used multiple in valuing property companies.

In assessing the fairness and reasonableness of the Offer Price, we have identified an exhaustive list of companies (the "**Comparables**") which (i) are principally engaged in property related businesses in Hong Kong with Hong Kong based operations contributing more than 50% of the Comparables' revenue for their respective latest financial year ends; (ii) have their shares listed on the Main Board of the Stock Exchange; and (iii) have a market capitalisation of no more than HK$2,000 million as at the Latest Practicable Date.

Based on these criteria, we identified 11 Comparables. We consider this sample fair and representative as the Comparables are engaged in the same sector as the Company does. The following table sets out the details of the Comparables:

Stock code	Company Name	Principal business	Market capitalisation as at the Latest Practicable Date	Net asset value attributable to the shareholders of the company	P/B ratio
			(HK$ million)	*(HK$ million)*	*(times)*
129	Asia Standard International Group Ltd.	Property development and investment, hotel, travel agency and catering operations and investment.	1,883.8	14,918.1	0.12

Stock code	Company Name	Principal business	Market capitalisation as at the Latest Practicable Date *(HK$ million)*	Net asset value attributable to the shareholders of the company *(HK$ million)*	P/B ratio *(times)*
271	Dan Form Holdings Co. Ltd.	Property investment, property rental and estate management.	1,571.6	5,146.0	0.31
898	Multifield International Holdings Ltd.	Property investment; provision of service apartment and property management services; trading of securities and investment holding.	1,463.1	4,737.7	0.30
432	Pacific Century Premium Developments Ltd.	Development and management of premium property and infrastructure projects, and investment in premium-grade buildings, in Asia.	1,369.1	730.5	1.83
225	Pokfulam Development Co. Ltd.	Property investment and management, trading of visual and sound equipment, securities investment and investment holding.	1,322.2	4,436.6	0.30
277	Tern Properties Co. Ltd.	Property investment and securities investment.	1,508.0	3,262.2	0.40
89	Tai Sang Land Development Ltd.	Property investment, property rental, property development, estate management and agency and hotel operation.	1,191.0	5,681.5	0.20
278	Wah Ha Realty Co. Ltd.	Investment holding and property development, investment and management in Hong Kong.	858.8	1,160.9	0.72

Stock code	Company Name	Principal business	Market capitalisation as at the Latest Practicable Date *(HK$ million)*	Net asset value attributable to the shareholders of the company *(HK$ million)*	P/B ratio *(times)*
1124	Coastal Greenland Ltd.	Property development, property investment, provision of property management services, project management and construction and project investment services.	828.8	4,229.9	0.19
495	Paladin Ltd.	Properties construction and redevelopment for sale purpose, completed investment properties held for capital appreciation purpose.	453.5	174.9	2.61
287	Winfair Investment Co. Ltd.	Property and share investments, property development and securities dealing.	400.0	764.9	0.52
			Maximum		2.61
			Minimum		0.12
			Average		0.68
	The Offers (based on the equity attributable to owners of the Company as at 30 June 2015)		964.8 *Note 1*	281.3 *Note 2*	3.43 *Note 3*
	The Offers (based on the Adjusted NAV)		964.8 *Note 1*	427.6 *Note 4*	2.26 *Note 5*

Source: Bloomberg and website of the Stock Exchange

Notes:

1. Based on the Offer Price of HK$0.3619 per Offer Share and the total number of issued Shares of 2,665,902,084 as at the Latest Practicable Date.

2. Based on the equity attributable to owners of the Company of approximately HK$281,343,000 as at 30 June 2015.

3. Calculated by dividing HK$964.8 million by HK$281.3 million.

4. Based on the Adjusted NAV.

5. Calculated by dividing HK$964.8 million by HK$427.6 million.

As illustrated in the table set out above, based on the Offer Price of HK$0.3619 per Offer Share and the total number of issued Shares of 2,665,902,084 as at the Latest Practicable Date, the Company is valued at approximately HK$964,789,964. Based on the equity attributable to owners of the Company of approximately HK$281,343,000 (calculated based on the unaudited consolidated net asset value of the Group as at 30 June 2015), the P/B ratio of the Company implied by the Offer Price (the "**Unadjusted Implied P/B Ratio**") is approximately 3.43 times. Based the Adjusted NAV, the P/B ratio of the Company implied by the Offer Price (the "**Adjusted Implied P/B Ratio**") is approximately 2.26 times.

The P/B ratios of the Comparables ranged from approximately 0.12 times to approximately 2.61 times, with an average of approximately 0.68 times. The Unadjusted Implied P/B Ratio of approximately 3.43 times is therefore significantly higher than the average and maximum of the P/B Ratios of the Comparables, and the Adjusted Implied P/B Ratio of approximately 2.26 times is higher than the average of the P/B Ratios of the Comparables. As such, we consider the Offer Price, with reference to the Unadjusted Implied P/B Ratio and the Adjusted Implied P/B Ratio, is fair and reasonable given the recent market valuations of the Comparables.

7. Background and intention of the Offeror

7.1 Background of the Offeror

As stated in the Letter from Get Nice Securities, the Offeror is an investment holding company incorporated on 29 September 2009 in Hong Kong with limited liability and as at the Latest Practicable Date, the Offeror is wholly owned by Mr. Li, who is also the sole director of the Offeror.

Mr. Li is an entrepreneur focused in investment holding and management of various enterprises mainly located in the Jilin province, PRC covering railroad communication & logistics, mining and refinery, natural resources, property development, banking, and financial leasing, etc. He holds a Doctor of Philosophy Degree awarded by the Jilin University of China.

Immediately prior to the entering into of the Sale and Purchase Agreement, the Offeror and its ultimate beneficial owner and parties acting in concert with any one of them did not hold any securities of the Company and were third parties independent of the Company and its connected persons.

7.2 Intention of the Offeror

As stated in the Letter from Get Nice Securities, following the close of the Offers, the Offeror intends to continue the existing principal businesses of the Group with a primary focus on the Group's property related businesses. With regard to the current financial situation of the Group, subject to further due diligence, the Offeror may procure the Company to conduct equity and/or debt financing following the close of the Offers in order to improve the financial position of the Group. Furthermore, the Offeror also intends to identify opportunistic investments and/or joint ventures that will provide positive synergies effect to the existing businesses of the Group. However, the Offeror will have to conduct a review on the financial position and the operations of the Group before it may formulate any long-term business plans and strategy of the Group, explore other business opportunities and consider whether any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate to enhance the long term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the Listing Rules. The Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

7.3 Proposed change to the Board

The Board is currently made up of six Directors, comprising (i) three executive Directors, namely Messrs. Cheong Pin Chuan, Patrick and Cheong Sim Eng and Ms. Cheong Hooi Kheng; and (ii) three independent non-executive Directors, namely Messrs. Chan Yee Hoi, Robert, Kwik Sam Aik and Leung Wing Ning.

Under the Sale and Purchase Agreement, the Vendors have agreed to procure such Directors as may be required by the Offeror to resign as Directors and directors of the subsidiaries of the Company at the earliest time permitted under the Takeovers Code. Such resignation will not take effect earlier than the date of the close of the Offer Period, subject to the requirements of the Takeovers Code.

The Offeror intends to nominate new Directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code.

Please refer to the Letter from Get Nice Securities for details of the proposed change to the Board. We consider that it is uncertain that the proposed changes of the Board would have positive or negative impact on the existing businesses of the Group and its performance. Shareholders should form their own judgment as to the commercial attractiveness of the effect of the new management on the Group.

CONCLUSION AND RECOMMENDATION

Based on the above principal factors and reasons, in particular the following (which should be read in conjunction with and interpreted in the full context of this letter):

(i) the Offer Price is at a premium to the historical prices of the Shares during the Review Period prior to the release of the Possible Transaction Announcement, a period of which we consider more appropriately reflects the fundamentals of the Company as analysed under section 5 headed "Historical performance of the Shares";

(ii) the Offer Price represents a premium of approximately 24.4% to the average of the closing prices of approximately HK$0.291 per Share for the last ten consecutive trading days up to and including the last trading day before the Possible Transaction Announcement;

(iii) the Offer Price represents a premium of approximately 243.03% over the unaudited consolidated net asset value attributable to owners of the Company per Share of approximately HK$0.1055 per Share (based on the number of issued Shares as at the date of the Latest Practicable Date) as at 30 June 2015;

(iv) the Offer Price represents a premium of approximately 125.62% over the Adjusted NAV per Share of approximately HK$0.1604 per Share (based on the number of issued Shares as at the Latest Practicable Date) as at 30 June 2015;

(v) the Unadjusted Implied P/B Ratio of approximately 3.43 times is significantly higher than the average and the maximum of the P/B Ratios of the Comparables, and the Adjusted Implied P/B ratio of approximately 2.26 times is higher than the average of the P/B Ratios of the Comparables;

(vi) trading volume of the Shares fluctuated during the Review Period and the Share Offer provides an opportunity for the Independent Securities Holders to realise their investment at the Offer Price without exerting a downward impact on the Share price;

(vii) the sustainability of the relatively higher price and trading volume of the Shares after the Possible Transaction Announcement is uncertain and may not continue in the absence of the Offers; and

(viii) in respect of the Option Offer, given that the sum payable for each Option is calculated based on the "see-through" price of the Options held as if the relevant Options were exercised in full, our analysis set out in the above for the Share Offer also apply to the Option Offer,

we are of the view that the terms of the Offers, are fair and reasonable so far as the Independent Securities Holders are concerned. Accordingly, we advise the Independent Board Committee to recommend to the Independent Securities Holders to accept the Offers.

Nevertheless, Independent Securities Holders who wish to realise all or part of their investment in the Shares should monitor the Share price performance during the Offer Period. In the event that the market price of the Share exceeds the Offer Price and the net proceeds from the sale of Shares in the open market after deducting all related costs exceed the amount receivable from the Offers, Independent Securities Holders should consider selling their Shares in the open market rather than accepting the Offers. In any event, Independent Securities Holders should note that there is no certainty that the current trading volume and/or current trading price level of the Shares will be sustainable during or after the Offer Period of the Offers.

For those Independent Securities Holders who wish to retain part or all of their investments in the Shares are reminded to consider carefully the intentions of the Offeror in relation to the Group after the close of the Offers (with details set out in the section above headed "7.2 Intention of the Offeror" of this letter and in the Letter from Get Nice Securities).

Independent Securities Holders should read carefully the procedures for accepting the Offers with details set out in the Composite Document.

Yours faithfully,
For and on behalf of
BOSC International Company Limited

Alex Lau	**Mabel Lam**
Managing Director	*Executive Director*
Investment Banking	*Investment Banking*

1. PROCEDURES FOR ACCEPTANCE

1.1 The Share Offer

(a) To accept the Share Offer, you should complete and sign the accompanying **WHITE** Form of Share Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Share Offer.

(b) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in your name, and you wish to accept the Share Offer, you must send the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof), by post or by hand, to the Registrar, Computershare Hong Kong Investor Service Ltd., at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in any event not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

(c) If the Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Share Offer in respect of your holding of Shares (whether in full or in part), you must either:

(i) lodge your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) with the nominee company, or other nominee, with instructions authorising it to accept the Share Offer on your behalf and requesting it to deliver the duly completed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed **WHITE** Form of Share Offer Acceptance together with the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) to the Registrar; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Share Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, authorise your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set out by HKSCC Nominees Limited.

(d) If the Share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Share Offer in respect of your Shares, the **WHITE** Form of Share Offer Acceptance should nevertheless be completed and delivered to the Registrar together with a letter stating that you have lost one or more of your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) or that it/they is/are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your Share certificate(s), and you wish to accept the Share Offer in respect of your Shares, you should nevertheless complete and sign the **WHITE** Form of Share Offer Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will be deemed to be an irrevocable authority to the Offeror and/or Get Nice Securities or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant Share certificate(s) when issued and to deliver such Share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such Share certificate(s), subject to the terms and conditions of the Share Offer, as if it was/they were delivered to the Registrar with the **WHITE** Form of Share Offer Acceptance.

(f) Acceptance of the Share Offer will be treated as valid only if the completed **WHITE** Form of Share Offer Acceptance is received by the Registrar on or before 4:00 p.m. on the Closing Date and the Registrar has recorded the acceptance and any relevant documents required by the Takeovers Code have been so received, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and, if those share certificate(s) is/are not in your name, such other documents in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or

(iii) certified by the Registrar or the Stock Exchange.

If the **WHITE** Form of Share Offer Acceptance is executed by a person other than the registered Shareholder, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

(g) Seller's ad valorem stamp duty payable by Shareholders who accept the Share Offer calculated at a rate of 0.1% of the consideration payable by the Offeror in respect of the relevant acceptances of the Share Offer will be deducted from the amount payable to those Independent Securities Holders who accept the Share Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Securities Holders who accept the Share Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Share Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(h) No acknowledgement of receipt of any **WHITE** Form of Share Offer Acceptance, Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

1.2 The Option Offer

(a) To accept the Option Offer, you should complete the **PINK** Form of Option Offer Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Option Offer.

(b) The completed **PINK** Form of Option Offer Acceptance should be forwarded, together with the relevant Option certificate(s) (if any) and all letter(s) of grant in respect of the Option(s) so tendered for acceptance, stating the number of Shares underlying the Option(s) in respect of which you intend to accept the Option Offer, by post or by hand to the company secretary of the Company at Room 3201, 9 Queen's Road Central, Hong Kong, marked "**Winfoong International Limited – Option Offer**" on the envelope, as soon as possible and in any event so as to reach the company secretary of the Company at the aforesaid address by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and announce in accordance with the Takeovers Code.

(c) No acknowledgement of receipt of any **PINK** Form of Option Offer Acceptance, the certificate(s) of the Options and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) will be given.

(d) No stamp duty will be deducted from the amount paid or payable to Optionholder who accepts the Option Offer.

2. ACCEPTANCE PERIOD AND REVISIONS

Unless the Offers have previously been revised or extended with the consent of the Executive, the Forms of Acceptance must be received by the Registrar and the company secretary of the Company respectively by 4:00 p.m. on the Closing Date in accordance with the instructions printed thereon.

If the Offers are extended or revised, the announcement of such extension or revision will state the next closing date and the Offers will remain open for a period of not less than 14 days from the posting of the written notification and/or announcement of the extension or revision to the Independent Securities Holders, and unless previously extended or revised, shall close on the subsequent closing date. If the Offeror revises the terms of the Offers, all the Independent Securities Holders, whether or not they have already accepted the Offers, will be entitled to accept the revised Offers under the revised terms.

If the Closing Date is extended, any reference in this Composite Document and in the Form(s) of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offers as so extended.

3. ANNOUNCEMENTS

By 6:00 p.m. on the Closing Date (or such later time and/or date as the Executive agrees), the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension, expiry of the Offers. The Offeror must post an announcement on the Stock Exchange's website no later than 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offers have been revised, extended, or have expired.

The announcement must state the following:

(i) the total number of Shares and rights over Shares for which acceptances of the Share Offer and Options for which acceptance of the Option Offer have been received;

(ii) the total number of Shares, rights over Shares and Options held, controlled or directed by the Offeror or parties acting in concert with it before the Offer Period; and

(iii) the total number of Shares, rights over Shares and Options acquired or agreed to be acquired during the Offer Period by the Offeror or parties acting in concert with it.

The announcement must include details of any relevant securities (as defined in the Takeovers Code) in the Company which the Offeror or any person acting in concert with it has borrowed or lent, save for any borrowed Shares which have been either on-lent or sold. The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

In computing the total number of Shares and Options represented by acceptances, only valid acceptances that are complete which have been received by the Registrar (as regards the Share Offer) or the company secretary of the Company (as regards the Option Offer) no later than 4:00 p.m. on the Closing Date, shall be included.

As required under the Takeovers Code, all announcements in relation to the Offers which the Executive and the Stock Exchange have confirmed that they have no further comments thereon must be made in accordance with the requirement of the Takeovers code and the Listing Rules.

4. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offers tendered by the Independent Securities Holders or by their respective agent(s) on their respective behalves shall be irrevocable and cannot be withdrawn, except in the circumstances set out in (b) below.

(b) If the Offeror is unable to comply with the requirements set out in the paragraph headed "3. Announcements" above, the Executive may require that the Independent Securities Holders, who have tendered acceptances to the Offers to be granted a right of withdrawal on terms that are acceptable to the Executive until the requirements set out in that paragraph are met.

In such case, when the Independent Securities Holders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event within 10 days thereof, return by ordinary post the Share certificate(s) and/or transfer receipt(s) and/or other document(s) of title or the relevant certificate(s) in respect of the Options (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form(s) of Acceptance to the relevant Independent Securities Holders.

5. SETTLEMENT OF THE OFFERS

5.1 The Share Offer

Provided that a valid **WHITE** Form of Share Offer Acceptance and the relevant Share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title and/or transfer receipt(s) (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the Registrar no later than the latest time for acceptance, a cheque for the amount due to each accepting Shareholder less seller's ad valorem stamp duty in respect of the Offer Shares tendered by him under the Share Offer will be despatched to such Shareholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days of the date on which all the relevant documents are received by the Registrar to render such acceptance complete and valid.

5.2 The Option Offer

Provided that a valid **PINK** Form of Option Offer Acceptance and the relevant certificate(s) of the Options and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) have been received by the company secretary of the Company no later than the latest time for acceptance, a cheque for the amount due to each accepting Optionholder in respect of the Options tendered by him under the Option Offer will be despatched to such Optionholder by ordinary post at his own risk as soon as possible but in any event within seven (7) Business Days of the date on which all the relevant documents are received by the company secretary of the Company to render such acceptance complete and valid.

6. OVERSEAS SHAREHOLDERS AND OVERSEAS OPTIONHOLDERS

The availability of the Offers to any Overseas Shareholders and Overseas Optionholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders and Overseas Optionholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders and Overseas Optionholders who wish to accept the Share Offer and/or the Option Offer (as the case may be) to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offers (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders and Overseas Optionholders in respect of such jurisdictions).

Any acceptance by any Overseas Shareholders and Overseas Optionholders will be deemed to constitute a representation and warranty from such Overseas Shareholders and Overseas Optionholders to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders and Overseas Optionholders should consult their professional advisers if in doubt.

7. TAX IMPLICATIONS

Independent Securities Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offers. None of the Offeror, parties acting in concert with the Offeror, the Company, Get Nice Securities and Veda Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offers accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offers.

8. GENERAL

(a) All communications, notices, Form(s) of Acceptance, Share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offers to be delivered by or sent to or from the Independent Securities Holders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Offeror, parties acting in concert with the Offeror, the Company, Get Nice Securities and Veda Capital and any of their respective directors nor the Registrar or other parties involved in the Offers or any of their respective agents accept any liability for any loss in postage or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Form(s) of Acceptance form part of the terms and conditions of the Offers.

(c) The accidental omission to despatch this Composite Document and/or Form(s) of Acceptance or any of them to any person to whom the Offers are made will not invalidate the Offers in any way.

(d) The Offers are, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Form(s) of Acceptance will constitute an authority to the Offeror, Get Nice Securities or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offers and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as it may direct, the Shares and the Options in respect of which such person or persons has/have accepted the Offers.

(f) Reference to the Offers in this Composite Document and in the Form(s) of Acceptance shall include any extension or revision thereof.

(g) All acceptances, instructions, authorities and undertakings given by the Independent Securities Holders in the Form(s) of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

(h) The English text of this Composite Document and the Form(s) of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation.

1. FINANCIAL SUMMARY

The consolidated financial statements of the Group for the years ended 31 December 2012, 2013 and 2014 were audited by Crowe Horwath (HK) CPA Limited and did not contain any qualifications. For each of the three financial years ended 31 December 2012, 2013 and 2014 and for the six months ended 30 June 2015, no dividend was declared or paid. The summary statement of profit and loss and other comprehensive income for the Group for the three financial years ended 31 December 2012, 2013 and 2014 and for the six months ended 30 June 2015 set out below does not contain any extraordinary items or exceptional items due to size, nature or incidence.

The following is a summary of the consolidated financial information of the Group for each of the three financial years ended 31 December 2012, 2013 and 2014 as extracted from the published annual reports of the Company and for the six months ended 30 June 2015 as extracted from the published interim report of the Company.

	For the year ended 31 December			For the six months ended 30 June
RESULTS	**2012**	**2013**	**2014**	**2015**
	(audited)	*(audited)*	*(audited)*	*(unaudited)*
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	4,629	4,880	5,351	2,505
Loss before tax	(28,611)	(37,144)	(24,043)	(11,170)
Loss for the year	(28,611)	(37,144)	(24,043)	(11,170)
Attributable to:				
Equity Shareholders	(28,611)	(37,144)	(24,043)	(11,170)
Non-controlling interests	–	–	–	–
	(28,611)	(37,144)	(24,043)	(11,170)
	HK cent	*HK cent*	*HK cent*	*HK cent*
Basic loss per Share attributable to the equity Shareholders	(1.09)	(1.41)	(0.91)	(0.42)
ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS				
Total assets	360,137	332,001	299,861	288,890
Total liabilities	(20,724)	(19,147)	(9,415)	(7,547)
Non-controlling interests	–	–	–	–
Equity attributable to equity Shareholders	339,413	312,854	290,446	281,343

2. AUDITORS' REPORTS

The followings are the auditors' reports extracted from the annual reports of the Company for the three financial years ended 31 December 2012, 2013 and 2014 in which the auditor expressed unqualified opinions.

For the year ended 31 December 2012

Crowe Horwath™

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINFOONG INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Winfoong International Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 34 to 123, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 28 February 2013

Yau Hok Hung
Practising Certificate Number P04911

For the year ended 31 December 2013

Crowe Horwath™

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINFOONG INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Winfoong International Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 38 to 131, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2013 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 28 February 2014

Lam Cheung Shing
Practising Certificate Number P03552

For the year ended 31 December 2014

Crowe Horwath

國富浩華(香港)會計師事務所有限公司
Crowe Horwath (HK) CPA Limited
Member Crowe Horwath International

9/F Leighton Centre,
77 Leighton Road,
Causeway Bay, Hong Kong

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF WINFOONG INTERNATIONAL LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Winfoong International Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 36 to 127, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2014 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Crowe Horwath (HK) CPA Limited
Certified Public Accountants
Hong Kong, 27 February 2015

Lam Cheung Shing
Practising Certificate Number P03552

3. AUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The followings are the audited consolidated financial statements of the Group extracted from the annual report of the Company for the financial year ended 31 December 2014.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2014

	Note	**2014** *HK$'000*	**2013** *HK$'000*
Turnover	*4*	5,351	4,880
Cost of sales		(718)	(891)
Gross profit		4,633	3,989
Net gain/(loss) on trading securities		33	(171)
Other revenue	*5*	8,504	6,337
Other net income	*5*	2,763	1,471
Operating and administrative expenses		(39,976)	(48,770)
Loss before taxation	*6*	(24,043)	(37,144)
Income tax expense	*7*	–	–
Loss for the year		(24,043)	(37,144)
Attributable to:			
Equity shareholders of the Company		(24,043)	(37,144)
Non-controlling interests		–	–
Loss for the year		(24,043)	(37,144)
Loss per share	*11*		
Basic		HK cent (0.91)	HK cents (1.41)
Diluted		HK cent (0.91)	HK cents (1.41)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014	2013
	HK$'000	*HK$'000*
Loss for the year	(24,043)	(37,144)
Other comprehensive income for the year		
Items that may be reclassified subsequently to profit or loss		
Available-for-sale financial assets: net movement in the fair value reserve (net of nil tax):		
– Changes in fair value recognised during the year	1,150	1,080
Total comprehensive loss for the year	(22,893)	(36,064)
Attributable to:		
Equity shareholders of the Company	(22,893)	(36,064)
Non-controlling interests	–	–
Total comprehensive loss for the year	(22,893)	(36,064)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		2014		2013	
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Fixed assets	*13*		945		1,118
Available-for-sale financial assets	*15*		3,600		2,450
			4,545		3,568
Current assets					
Trading securities	*16*	433		339	
Inventories	*17*	248,362		250,161	
Trade and other receivables	*18*	5,014		19,247	
Cash and cash equivalents	*19*	41,507		58,686	
		295,316		328,433	
Current liabilities					
Trade and other payables	*20*	9,415		19,147	
Net current assets			285,901		309,286
NET ASSETS			290,446		312,854
Capital and reserves					
Share capital	*23(b)*		131,790		131,582
Reserves	*23(a)*		158,656		181,272
Total equity attributable to equity shareholders of the Company			290,446		312,854
Non-controlling interests			–		–
TOTAL EQUITY			290,446		312,854

STATEMENT OF FINANCIAL POSITION

As at 31 December 2014

		2014		2013	
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Non-current assets					
Investments in subsidiaries	*14*		7,813		7,813
Available-for-sale financial assets	*15*		3,600		2,450
			11,413		10,263
Current assets					
Trade and other receivables	*18*	247,669		249,398	
Cash and cash equivalents	*19*	6		2	
		247,675		249,400	
Current liabilities					
Trade and other payables	*20*	905		858	
Net current assets			246,770		248,542
NET ASSETS			258,183		258,805
Capital and reserves					
Share capital	*23(b)*		131,790		131,582
Reserves	*23(a)*		126,393		127,223
TOTAL EQUITY			258,183		258,805

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Attributable to equity shareholders of the Company									
			Reserves							
	Share capital	Share premium	Capital redemp-tion reserve	Share option reserve	Fair value reserve	Retained profits	Sub-total	Total	Non-controlling interests	Total equity
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	131,582	4,785	121	–	–	202,925	207,831	339,413	–	339,413
Changes in equity for 2013:										
Loss for the year	–	–	–	–	–	(37,144)	(37,144)	(37,144)	–	(37,144)
Other comprehensive income for the year	–	–	–	–	1,080	–	1,080	1,080	–	1,080
Total comprehensive loss for the year	–	–	–	–	1,080	(37,144)	(36,064)	(36,064)	–	(36,064)
Equity-settled share-based transactions	–	–	–	9,505	–	–	9,505	9,505	–	9,505
At 31 December 2013	131,582	4,785	121	9,505	1,080	165,781	181,272	312,854	–	312,854
At 1 January 2014	131,582	4,785	121	9,505	1,080	165,781	181,272	312,854	–	312,854
Changes in equity for 2014:										
Loss for the year	–	–	–	–	–	(24,043)	(24,043)	(24,043)	–	(24,043)
Other comprehensive income for the year	–	–	–	–	1,150	–	1,150	1,150	–	1,150
Total comprehensive loss for the year	–	–	–	–	1,150	(24,043)	(22,893)	(22,893)	–	(22,893)
Shares issued under share option scheme	208	456	–	(179)	–	–	277	485	–	485
Lapse of share options	–	–	–	(41)	–	41	–	–	–	–
At 31 December 2014	131,790	5,241	121	9,285	2,230	141,779	158,656	290,446	–	290,446

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

	Note	2014 HK$'000	2013 HK$'000
Operating activities			
Loss before taxation		(24,043)	(37,144)
Adjustments for:			
Deficit on revaluation of buildings		46	35
Amortisation of leasehold land		22	22
Depreciation of other fixed assets		105	229
Interest income		(102)	(82)
Net unrealised (gain)/loss on trading securities		(33)	21
Gain on disposal of fixed assets		(360)	(1)
Write-back of provision for construction costs		(2,449)	(1,505)
Equity-settled share-based payment expenses		–	9,505
Changes in working capital:			
Increase in inventories		(105)	(175)
(Increase)/decrease in trading securities		(61)	163
Decrease/(increase) in trade and other receivables		14,233	(548)
(Decrease)/increase in trade and other payables		(5,379)	1,076
Cash used in operations		(18,126)	(28,404)
Tax paid			
Hong Kong profits tax paid		–	–
Net cash used in operating activities		(18,126)	(28,404)
Investing activities			
Payment for purchase of fixed assets		–	(22)
Proceeds from sale of fixed assets		360	2
Interest received		102	82
Net cash generated from investing activities		462	62
Financing activities			
Proceeds from shares issued under share option scheme		485	–
Net cash generated from financing activities		485	–
Net decrease in cash and cash equivalents		(17,179)	(28,342)
Cash and cash equivalents at the beginning of the year		58,686	87,028
Cash and cash equivalents at the end of the year	*19*	41,507	58,686

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

1. GENERAL INFORMATION

Wingfoong International Limited (the "Company") is a limited liability company incorporated in Bermuda and acts as an investment holding company. Its shares are listed on the Main Board of the The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The addresses of the registered office and principal place of business of the Company are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 3201, 9 Queen's Road Central, Hong Kong respectively. The principal activities of its principal subsidiaries are property development and construction, property management, provision of horticultural services and securities trading.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on the initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting years reflected in these financial statements.

b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2014 comprise the Company and its subsidiaries (together referred to as the "Group").

The consolidated financial statements are presented in Hong Kong dollars, which is the same as the functional currency of the Company.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets are stated at their fair value as explained in the accounting policies set out below:

- buildings (see note 2(f)); and
- financial instruments classified as available-for-sale securities or as trading securities (see note 2(e)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 28.

c) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the executive directors of the Company, being the chief operating decision maker, for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

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

d) Subsidiaries and non-controlling interests

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

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

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(e)) or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(h)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

e) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(q)(iv) and (v).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(h)).

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(h)). Dividend income from these investments is recognised in profit or loss in accordance with the policy set out in note 2(q)(iv) and, where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss in accordance with the policy set out in note 2(q)(v). When these investments are derecognised or impaired (see note 2(h)), the cumulative gain or loss is reclassified from equity to profit or loss.

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

f) Other property, plant and equipment

Buildings held for own use which are situated on leasehold land, where the fair value of the building could be measured separately from the fair value of the leasehold land at the inception of the lease (see note 2(g)) are stated at their revalued amount, being their fair value at the date of the revaluation less any subsequent accumulated depreciation.

Revaluations are performed with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the end of reporting period.

The other items of property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(h)).

Changes arising on the revaluation of properties held for own use are generally dealt with in other comprehensive income and are accumulated separately in equity in property revaluation reserve. The only exceptions are as follows:

– when a deficit arises on revaluation, it will be charged to profit or loss to the extent that it exceeds the amount held in the reserve in respect of that same asset immediately prior to the revaluation; and

– when a surplus arises on revaluation, it will be credited to profit or loss to the extent that a deficit on revaluation in respect of that same asset had previously been charged to profit or loss.

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(s)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the property revaluation reserve to retained profits and is not reclassified to profit or loss.

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

– Leasehold land classified as held under finance leases is depreciated over the term of lease.

– Buildings situated on leasehold land are depreciated over their estimated useful lives of 40 years.

– Furniture, equipment and other fixed assets are depreciated over 5 years.

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

g) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, with the following exceptions:

– property held under operating leases that would otherwise meet the definition of an investment property is classified as investment property on a property-by-property basis and, if classified as investment property, is accounted for as if held under a finance lease; and

– land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

ii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term except where the property is classified as an investment property or is held for development for sale (see note 2(i)(ii)).

h) Impairment of assets

i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

– significant financial difficulty of the debtor;

– a breach of contract, such as a default or delinquency in interest or principal payments;

– it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

– significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and

– a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

– For investments in subsidiaries, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(h)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(h)(ii).

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

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

– For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

  Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the property, plant and equipment (other than properties carried at revalued amounts) may be impaired or, an impairment loss previously recognised no longer exists or may have decreased.

If any such indication exists, the asset's recoverable amount is estimated.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its 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. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated to reduce the carrying amount of the assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

An impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

i) Inventories

i) Horticultural services

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the standard cost basis (which approximates the average actual cost) and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

ii) Property development

Inventories in respect of property development activities are carried at the lower of cost and net realisable value. Cost and net realisable values are determined as follows:

– Property under development for sale

The cost of properties under development for sale comprises specifically identified cost, including the acquisition cost of land, aggregate cost of development, materials and supplies, wages and other direct expenses, an appropriate proportion of overheads and borrowing cost capitalised (see note 2(s)). Net realisable value represents the estimated selling price less estimated costs of completion and costs to be incurred in selling the property.

– Completed property held for sale

In the case of completed properties developed by the Group, cost is determined by apportionment of the total development costs for that development project, attributable to the unsold properties. Net realisable value represents the estimated selling price less costs to be incurred in selling the property.

The cost of completed properties held for sale comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(h)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

k) Interest-bearing borrowings

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

l) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(p)(i), trade and other payables are subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

m) Cash and cash equivalents

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

n) Employee benefits

i) Short-term employee benefits and contributions to defined contribution retirement plans

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

ii) Share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date using the binomial option pricing model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to the profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to retained profits).

iii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

o) Income tax

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

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

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

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

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

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

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

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

    – the same taxable entity; or

    – different taxable entities which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

p) Financial guarantees issued, provisions and contingent liabilities

i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e., the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(p)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, that is, the amount initially recognised, less accumulated amortisation.

ii) Other provisions and contingent liabilities

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

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

q) Revenue recognition

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

i) Sale of properties

When properties under development are sold, income is recognised when the property development is completed with the relevant occupation permit issued by the authorities and the significant risks and rewards of the ownership of the properties are passed to the buyers. Deposits and instalments received on properties sold prior to the date of revenue recognition are recorded as forward sales deposits and instalments received.

ii) Sale of goods

Revenue is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

iii) Service income

Service income is recognised when the relevant services are rendered.

iv) Dividends

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

v) Interest income

Interest income is recognised as it accrues using the effective interest method.

vi) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

vii) Management fee income

Management fee income is recognised at the time when the services are rendered.

r) Translation of foreign currencies

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

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

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

t) Related parties

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

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

(ii) has significant influence over the Group; or

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

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

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

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

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

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

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

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

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

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entitles*

The Group has applied the amendments to HKFRS 10, HKFRS 12 and HKAS 27 *Investment Entities* for the first time in the current year. The amendments to HKFRS 10 define an Investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

To qualify as an investment entity, a reporting entity is required to:

- obtain funds from one or more investors for the purpose of providing them with investment management services;
- commit to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment Income, or both; and
- measure and evaluate performance of substantially all of its investments on a fair value basis.

Consequential amendments have been made to HKFRS 12 and HKAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity (assessed based on the criteria set out in HKFRS 10 as at 1 January 2014), the application of the amendments has had no impact on the disclosures or the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities*

The Group has applied the amendments to HKAS 32 *Offsetting Financial Assets and Financial Liabilities* for the first time in the current year. The amendments to HKAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities. Specifically, the amendments clarify the meaning of 'currently has a legally enforceable right of set-off' and 'simultaneous realisation and settlement'.

The amendments have been applied retrospectively. As the Group does not have any financial assets and financial liabilities that qualify for offset, the application of the amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

Amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets*

The Group has applied the amendments to HKAS 36 *Recoverable Amount Disclosures for Non-Financial Assets* for the first time in the current year. The amendments to HKAS 36 remove the requirement to disclosure the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable to when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal. These new disclosures include the fair value hierarchy, key assumptions and valuation techniques used which are in line with the disclosure required by HKFRS 13 *Fair Value Measurements*.

The application of these amendments has had no material impact on the disclosures in the Group's consolidated financial statements.

Amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*

The Group has applied the amendments to HKAS 39 *Novation of Derivatives and Continuation of Hedge Accounting* for the first time in the current year. The amendments to HKAS 39 provide relief from the requirement to discontinue hedge accounting when a derivative designated as a hedging instrument is novated under certain circumstances. The amendments also clarify that any change to the fair value of the derivative designated as a hedging instrument arising from the novation should be included in the assessment and measurement of hedge effectiveness.

The amendments have been applied retrospectively. As the Group does not have any derivatives that are subject to novation, the application of these amendments has had no impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

HK(IFRIC) – Int 21 *Levies*

The Group has applied HK(IFRIC) – Int 21 *Levies* for the first time in the current year. HK(IFRIC) – Int 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

HK(IFRIC) – Int 21 has been applied retrospectively. The application of this Interpretation has had no material impact on the disclosures or on the amounts recognised in the Group's consolidated financial statements.

4. TURNOVER

Turnover represents revenue from provision of property management and horticultural services. No properties were sold during the years ended 31 December 2014 and 2013. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Revenue from provision of property management services	457	429
Revenue from provision of horticultural services	4,894	4,451
	5,351	4,880

5. OTHER REVENUE AND OTHER NET INCOME

	2014	2013
	HK$'000	*HK$'000*
Other revenue		
Interest income on financial assets not at fair value through profit or loss		
– Interest income from banks	102	82
Management fee income *(note 27(c))*	2,510	2,737
Rental income from operating leases	5,840	3,386
Dividend income from listed securities	20	18
Others	32	114
	8,504	6,337
Other net income		
Gain on disposal of fixed assets	360	1
Deficit on revaluation of buildings	(46)	(35)
Write-back of provision for construction costs	2,449	1,505
	2,763	1,471

6. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

	2014	2013
	HK$'000	*HK$'000*
(a) Staff costs (including directors' emoluments)		
Salaries, wages and other benefits	25,668	25,675
Contributions to defined contribution retirement plan *(note 24)*	371	336
Equity-settled share-based payment expenses *(note 22)*	–	9,505
	26,039	35,516
(b) Other items		
Amortisation of leasehold land	22	22
Depreciation of property, plant and equipment	105	229
Auditors' remuneration		
– audit services	440	440
– other services	60	60
Operating lease charges: minimum lease payments		
– land and buildings	4,847	4,839
Cost of inventories *(note 17)*	718	891

7. INCOME TAX

a) Taxation in the consolidated statement of profit or loss

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands, the Group is not subject to any income tax in these jurisdictions.

No Hong Kong Profits Tax for the years ended 31 December 2014 and 2013 has been provided for as the Group has no estimated assessable profits arising in Hong Kong for both years.

b) Reconciliation between tax expense and accounting loss at the applicable tax rates:

	2014 *HK$'000*	2013 *HK$'000*
Loss before taxation	(24,043)	(37,144)
Notional tax on loss before taxation, calculated at the rates applicable to losses in the jurisdictions concerned	(3,967)	(6,129)
Tax effect of non-deductible expenses	407	2,020
Tax effect of non-taxable income	(83)	(18)
Tax effect of unused tax losses not recognised	3,700	4,155
Tax effect of prior years' tax losses utilised this year	(79)	(28)
Others	22	–
Actual tax expense	–	–

8. DIRECTORS' EMOLUMENTS

Directors' remuneration disclosed pursuant to section 78 of Schedule 11 to the new Hong Kong Companies Ordinance (Cap. 622), with reference to section 161 of the predecessor Hong Kong Companies Ordinance (Cap. 32), is as follows:

	Directors' fee *HK$'000*	Salaries, allowances and benefits in kind *HK$'000*	Discretionary bonuses *HK$'000*	Retirement scheme contributions *HK$'000*	Share-based payments *HK$'000*	2014 Total *HK$'000*
Executive directors:						
Cheong Pin Chuan, Patrick, Joint Chairman (with effective from 23 June 2014)	–	2,762	1,200	10	–	3,972
Cheong Sim Eng, Joint Chairman (with effective from 23 June 2014)	–	15	1,200	15	–	1,230
Cheong Hooi Kheng	–	1,176	–	17	–	1,193
Independent non-executive directors:						
Chan Yee Hoi, Robert	150	–	–	–	–	150
Leung Wing Ning	150	–	–	–	–	150
Kwik Sam Aik	150	–	–	–	–	150
	450	3,953	2,400	42	–	6,845

	Directors' fee	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Share-based payments	2013 Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Executive directors:						
Cheong Pin Chuan, Patrick, Chairman	–	2,653	1,200	31	1,567	5,451
Cheong Kim Pong (resigned on 18 November 2013)	–	–	–	–	–	–
Cheong Sim Eng	–	4	1,200	5	1,567	2,776
Cheong Hooi Kheng	–	1,148	–	15	1,567	2,730
Independent non-executive directors:						
Chan Yee Hoi, Robert	150	–	–	–	42	192
Leung Wing Ning	150	–	–	–	42	192
Kwik Sam Aik	150	–	–	–	42	192
	450	3,805	2,400	51	4,827	11,533

During the years ended 31 December 2014 and 2013, no emoluments were paid by the Group to any directors of the Company as an inducement to join or upon joining the Company or as compensation for loss of office. There was no arrangement under which a director waived or agreed to waive any remuneration during the years ended 31 December 2014 and 2013.

As at 31 December 2014, the directors held share options under the Company's share options scheme. The details of the share options are disclosed under the paragraph "Share Option Scheme 2013" in the Directors' Report and note 22.

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2013: one) are the directors whose emoluments are disclosed in note 8. The aggregate of the emoluments in respect of the other three (2013: four) individuals are as follows:

	2014	2013
	HK$'000	*HK$'000*
Salaries and other emoluments	8,873	11,528
Discretionary bonuses	800	800
Share-based payments	–	3,335
Retirement scheme contributions	50	59
	9,723	15,722

The emoluments of the three (2013: four) individuals with the highest emoluments are within the following bands:

	2014 Number of individuals	2013 Number of individuals
HK$2,500,001 – HK$3,000,000	1	–
HK$3,000,001 – HK$3,500,000	1	1
HK$3,500,001 – HK$4,000,000	1	1
HK$4,000,001 – HK$4,500,000	–	1
HK$4,500,001 – HK$5,000,000	–	1
	3	4

There was no amount paid during the years ended 31 December 2014 and 2013 to the highest paid employees as inducement to join or upon joining the Group or as compensation for loss of office.

10. LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company includes a loss of HK$2,257,000 (2013: HK$12,876,000) which has been dealt with in the financial statements of the Company.

11. LOSS PER SHARE

a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK$24,043,000 (2013: HK$37,144,000) and the weighted average number of approximately 2,632,130,000 (2013: 2,631,652,000) ordinary shares in issue during the year.

b) Diluted loss per share

The calculation of diluted loss per share for the years ended 31 December 2014 and 2013 does not assume the exercise of the Company's outstanding share options as the exercise of the share options would result in a decrease in loss per share.

12. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Property development: this segment develops and sells the Group's residential properties.

– Horticultural services: this segment provides horticultural services.

– Property management and other related services: this segment mainly provides building management services.

– Securities trading: this segment engages in the trading of securities.

a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets with the exception of available-for-sale financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals and other payables attributable to the activities of the individual segments managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e., "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditor's remuneration and other corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter segment sales), interest income from cash balances managed directly by the segments, depreciation and amortisation, material non-cash items and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Company's executive directors for the purposes of resource allocation and assessment of segment performance for the years end 31 December 2014 and 2013 is set out below.

	Property development		Horticultural services		Property management and other related services		Securities trading		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	–	–	4,894	4,451	457	429	–	–	5,351	4,880
Inter-segment revenue	–	–	41	40	109	108	–	–	150	148
Reportable segment revenue	–	–	4,935	4,491	566	537	–	–	5,501	5,028
Reportable segment (loss)/profit (adjusted EBITDA)	(19,325)	(29,207)	955	623	551	521	33	(181)	(17,786)	(28,244)
Reportable segment assets	250,274	266,315	1,418	1,542	969	807	445	352	253,106	269,016
Reportable segment liabilities	7,808	17,494	162	249	42	27	27	27	8,039	17,797

For the year ended 31 December 2014, revenue of approximately HK$1,316,000 was derived from a single external customer who contributed 10% or more of the total revenue of the Group. This revenue was attributable to the horticultural services segment.

For the year ended 31 December 2013, revenue of approximately HK$670,000 was derived from a single external customer who contributed more than 10% of total revenue of the Group. This revenue was attributable to the horticultural services segment.

b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	2014	2013
	HK$'000	*HK$'000*
Revenue		
Reportable segment revenue	5,501	5,028
Elimination of inter-segment revenue	(150)	(148)
Consolidated turnover	5,351	4,880
Profit or loss		
Reportable segment loss	(17,786)	(28,244)
Elimination of inter-segment profit	(150)	(148)
Reportable segment loss derived from the Group's external customers	(17,936)	(28,392)
Other revenue and net income	2,978	2,917
Depreciation and amortisation	(127)	(251)
Unallocated corporate expenses	(8,958)	(11,418)
Consolidated loss before taxation	(24,043)	(37,144)

	2014	2013
	HK$'000	*HK$'000*
Assets		
Reportable segment assets	253,106	269,016
Available-for-sale financial assets	3,600	2,450
Unallocated corporate assets		
– cash and cash equivalents	39,432	56,564
– other assets	3,723	3,971
Consolidated total assets	299,861	332,001
Liabilities		
Reportable segment liabilities	8,039	17,797
Unallocated corporate liabilities	1,376	1,350
Consolidated total liabilities	9,415	19,147

c) Other segment information

	Property development		Horticultural services		Property management and other related services		Securities trading		Unallocated		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest income	9	15	–	–	–	–	–	–	93	67	102	82
Interest expense	–	–	–	–	–	–	–	–	–	–	–	–
Rental income from operating leases	5,840	3,386	–	–	–	–	–	–	–	–	5,840	3,386
Depreciation and amortisation	–	–	(3)	(3)	(17)	(17)	–	–	(107)	(231)	(127)	(251)
Income tax expense	–	–	–	–	–	–	–	–	–	–	–	–
Equity-settled share-based payment expense	–	(6,628)	–	(32)	–	–	–	–	–	(2,845)	–	(9,505)
Additions to non-current segment assets during the year	–	–	–	–	–	–	–	–	–	22	–	22

d) Geographic information

No geographic information is shown as all the Group's revenue and results of operations are derived from and all the Group's assets are located in Hong Kong.

13. FIXED ASSETS

The Group

	Interests in leasehold land held for own use under finance leases *HK$'000*	Buildings held for own use carried at fair value *HK$'000*	Furniture, equipment and other fixed assets *HK$'000*	Total fixed assets *HK$'000*
Cost or valuation:				
At 1 January 2013	970	200	5,262	6,432
Additions	–	–	22	22
Disposals	–	–	(34)	(34)
Deficit on revaluation	–	(35)	–	(35)
Less: elimination of accumulated depreciation	–	(5)	–	(5)
At 31 December 2013	970	160	5,250	6,380
Representing:				
Cost	970	–	5,250	6,220
Valuation – 2013	–	160	–	160
	970	160	5,250	6,380
At 1 January 2014	970	160	5,250	6,380
Disposals	–	–	(1,477)	(1,477)
Deficit on revaluation	–	(46)	–	(46)
Less: elimination of accumulated depreciation	–	(4)	–	(4)
At 31 December 2014	970	110	3,773	4,853
Representing:				
Cost	970	–	3,773	4,743
Valuation – 2014	–	110	–	110
	970	110	3,773	4,853

	Interests in leasehold land held for own use under finance leases *HK$'000*	Buildings held for own use carried at fair value *HK$'000*	Furniture, equipment and other fixed assets *HK$'000*	Total fixed assets *HK$'000*
Accumulated amortisation and depreciation:				
At 1 January 2013	218	–	4,831	5,049
Charge for the year	22	5	224	251
Written back on disposals	–	–	(33)	(33)
Elimination on revaluation	–	(5)	–	(5)
At 31 December 2013	240	–	5,022	5,262
At 1 January 2014	240	–	5,022	5,262
Charge for the year	22	4	101	127
Written back on disposals	–	–	(1,477)	(1,477)
Elimination on revaluation	–	(4)	–	(4)
At 31 December 2014	262	–	3,646	3,908
Carrying amount:				
At 31 December 2014	708	110	127	945
At 31 December 2013	730	160	228	1,118

As at 31 December 2014 and 2013, buildings were revalued based on depreciated replacement cost by an independent valuer. The following table analyses the buildings carried at fair value, by valuation methods.

a) Revaluation of buildings held for own use

Fair value hierarchy

	Fair value measurements using		
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs** *(Note)* **(Level 3)**
	HK$'000	*HK$'000*	*HK$'000*
Recurring fair value measurement			
Buildings held for own use:			
– In Hong Kong			
As 31 December 2014	–	–	110
As 31 December 2013	–	–	160

Note: For fair value measurement under Level 3, inputs for the assets is not based on observable market data (that is, unobservable inputs).

During the year ended 31 December 2014, there were no transfers among Levels 1, 2 and 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the date of the event or change in circumstances that caused the transfer.

Movements during the year in the balance of these Level 3 fair value measurements are as follows:

	Buildings held for own use in Hong Kong	
	2014	**2013**
	HK$'000	*HK$'000*
At 1 January	160	200
Depreciation charge for the year	(4)	(5)
Deficit on revaluation	(46)	(35)
At 31 December	110	160

Valuation processes of the Group

The Group's buildings were revalued at 31 December 2014 and 2013 by Savills Valuation and Professional Services Limited, who is an independent firm of chartered surveyors and has among its staff members of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. For the buildings, their current use equates to the highest and best use.

The Group's finance department considers and discusses the valuations performed by the independent valuer for financial reporting purposes, including all key inputs to the valuations and property valuations movements as compared to the prior year.

Valuation techniques

The valuation was determined based on the depreciated replacement cost with reference to the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all relevant forms of obsolescence and optimization based on significant unobservable inputs. These inputs include:

Cost of construction

Cost per square feet to completion was estimated based on the gross floor area using direct market comparables and taking into account of life and size of property and its facilities as at 31 December 2014.

Estimated depreciation

Deducting all sources of depreciation by straightline method over the useful life, including physical deterioration and functional and economic obsolescence and adjusting by the physical condition of the building.

There were no changes to the valuation techniques during the year.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Valuation technique	Unobservable input	Relationship of unobservable inputs to fair value
Buildings	Based on depreciated replacement cost	Cost of construction of HK$1,133 (2013: HK$855) per square feet	The higher the estimated cost per square feet to completion, the higher the fair value
		Estimated depreciation over the useful life of 50 years (2013: 50 years)	The higher the estimated depreciation, the lower the fair value

The revaluation deficit of HK$46,000 (2013: HK$35,000) has been recognised in the consolidated statement of profit or loss.

Had these buildings held for own use been carried at cost less accumulated depreciation, the carrying amounts would have been HK$423,000 (2013: HK$443,000).

b) The analysis of carrying amount of properties is as follows:

	2014	2013
	HK$'000	*HK$'000*
In Hong Kong		
– medium-term leases	818	890
Representing:		
Interests in leasehold land held for own use under finance leases	708	730
Buildings held for own use carried at fair value	110	160
	818	890

14. INVESTMENTS IN SUBSIDIARIES

	The Company	
	2014	2013
	HK$'000	*HK$'000*
Unlisted shares, at cost	1	1
Capital contribution in respect of equity-settled share-based payment	7,812	7,812
	7,813	7,813

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group.

Name of company	Place of incorporation and operation	Particulars of issued and paid-up capital	Proportion of ownership interests held by the Company: Direct	Proportion of ownership interests held by the Company: Indirect	Principal activity
Winfoong Assets Limited	British Virgin Islands	100 ordinary shares of US$1 each	100%	–	Investment Holding
Century Elegant Limited	Hong Kong	1 ordinary share	–	100%	Provision of property management services
Cheung Kee Garden Limited	Hong Kong	100 ordinary shares and 450,000 non-voting deferred shares	–	100%	Investment holding and provision of horticultural services
Donwin Property Limited	Hong Kong	2 ordinary shares	–	100%	Property holding
Fort Property Management Limited	Hong Kong	2 ordinary shares	–	100%	Provision of management services

Name of company	Place of incorporation and operation	Particulars of issued and paid-up capital	Proportion of ownership interests held by the Company Direct	Indirect	Principal activity
Sui Chong Finance Limited	Hong Kong	2 ordinary shares	–	100%	Provision of financing and management services and trading of securities
Sui Chong International (H.K.) Limited	Hong Kong	2 ordinary shares	–	100%	Property holding
Sui Chong International Resources Limited	Hong Kong	1,000 ordinary shares	–	100%	Provision of property management and project management services
Super Homes Limited	Hong Kong	100 ordinary shares and 100 non-voting deferred shares	–	100%	Property development

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group and the Company 2014	2013
	HK$'000	*HK$'000*
Unlisted debt securities at fair value	3,600	2,450

16. TRADING SECURITIES

	The Group 2014	2013
	HK$'000	*HK$'000*
Listed equity securities at fair value – in Hong Kong	433	339

17. INVENTORIES

	The Group 2014	2013
	HK$'000	*HK$'000*
Horticultural plants	461	356
Completed properties held for sale	247,901	249,805
	248,362	250,161

The completed properties held for sale are held in Hong Kong under long-term leases.

The analysis of the amount of inventories recognised as an expense is as follows:

	Horticultural plants	
	2014	**2013**
	HK$'000	*HK$'000*
Cost of inventories sold	718	891

18. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Amount due from a subsidiary	–	–	247,298	249,027
Amount due from a fellow subsidiary *(note 27(b))*	701	682	–	–
Trade debtors *(note (a))*	719	911	–	–
Receivables for monies held by the solicitor in accordance with the relevant property sale agreements	50	13,981	–	–
Other debtors	961	815	–	–
Loans and receivables	2,431	16,389	247,298	249,027
Rental and other deposits	1,877	1,909	–	–
Prepayments	706	949	371	371
	5,014	19,247	247,669	249,398

The amounts due from a subsidiary and a fellow subsidiary are unsecured, interest-free and have no fixed terms of repayment.

All of the trade and other receivables are expected to be recovered or recognised as expense within one year.

a) Ageing analysis

Included in trade and other receivables are trade debtors with the following ageing analysis based on the invoice date, as of the end of the reporting period:

	The Group	
	2014	**2013**
	HK$'000	*HK$'000*
Within 1 month	517	577
After 1 month but within 3 months	198	323
Over 3 months	4	11
	719	911

The Group's credit policy is set out in note 25(a).

b) Impairment of trade debtors

During the years ended 31 December 2014 and 2013, there was no impairment loss made against the trade receivables.

c) Trade debtors that are not impaired

The ageing analysis of the trade debtors that are neither individually nor collectively considered to be impaired are as follows:

	The Group	
	2014	**2013**
	HK$'000	*HK$'000*
Neither past due nor impaired	517	577
Less than 1 month past due	161	281
More than 1 month past due	41	53
	202	334
	719	911

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

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

19. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2014	**2013**	**2014**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Deposits with banks and other financial institutions	41,500	58,684	6	2
Cash on hand	7	2	–	–
Cash and cash equivalents in the consolidated statements of financial position and cash flows	41,507	58,686	6	2

At 31 December 2014, bank balances carried interest at market rates which range from 0% to 0.3% (2013: range from 0% to 0.4%) per annum.

20. TRADE AND OTHER PAYABLES

	The Group		The Company	
	2014	2013	2014	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	111	6,413	–	–
Retentions payable	50	2,451	–	–
Other creditors and accrued charges	8,909	10,007	905	858
Financial liabilities measured at amortised cost	9,070	18,871	905	858
Receipt-in-advance	345	276	–	–
	9,415	19,147	905	858

All of the trade and other payables, apart from the retentions payable, are expected to be settled within one year or are repayable on demand.

As at the end of the reporting period, the ageing analysis of the trade creditors based on the date of receipt of goods/services is as follows:

	The Group	
	2014	2013
	HK$'000	*HK$'000*
Within 1 month	8	–
After 1 month but within 3 months	–	32
Over 6 months	103	6,381
	111	6,413

21. DEFERRED TAXATION

a) Deferred tax liabilities not recognised:

The Group and the Company had no material deferred tax liabilities not provided for at 31 December 2014 and 2013.

b) Deferred tax assets not recognised

At 31 December 2014, the Group and the Company have not recognised deferred tax assets in respect of cumulative tax losses of HK$322,201,000 (2013: HK$300,256,000) and HK$15,684,000 (2013: HK$15,684,000), respectively, as it is not probable that future taxable profits against which the tax losses can be utilised will be available in the relevant taxation authority and the relevant taxable entity. The tax losses do not expire under current tax legislation.

22. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted on 25 June 2013 whereby the directors of the Company are authorised, at their discretion, to invite eligible participants including the directors or any employee (whether full time or part time) of the Group or an affiliate and any consultant, agent, or advisor of the Group or an affiliate, to take up options at $1 consideration for each acceptance. The options vest from the date of grant and are then exercisable within a period of ten years. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

(a) The terms and conditions of the grants are as follows:

	Number of instruments	Vesting conditions	Contractual life of options
Options granted to directors:			
– on 18 December 2013	80,100,000	Immediate vest	10 years
Options granted to eligible employees:			
– on 18 December 2013	108,300,000	Immediate vest	10 years
Total share options granted	188,400,000		

(b) The number and weighted average exercise prices of share options are as follows:

	2014		2013	
	Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
	HK$'000	*'000*	*HK$'000*	*'000*
Outstanding at the beginning of the year	0.1168	188,400	–	–
Exercised during the year	0.1168	(4,150)	–	–
Lapsed during the year	0.1168	(950)	–	–
Granted during the year	–	–	0.1168	188,400
Outstanding at the end of the year	0.1168	183,300	0.1168	188,400
Exercisable at the end of the year	0.1168	183,300	0.1168	188,400

The options outstanding at 31 December 2014 had an exercise price of HK$0.1168 (2013: HK$0.1168) and a weighted average remaining contractual life of 8.96 years (2013: 9.96 years).

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on binomial option pricing model. The contractual life of the share option is used as an input into the model and expectation of early exercise is incorporated into the model.

Fair value of share options and assumptions	**2013**
Fair value at the date of grant	HK$0.0505
Share price	HK$0.1100
Exercise price per share option	HK$0.1168
Expected volatility	66.57%
Option life	10 years
Expected dividend yield	Nil
Risk-free rate	2.24%
Exercise multiple	1.66-2.80

The expected volatility is based on the historic volatility of the share prices of the Company. Expected dividend yield is based on historical dividend payment record of the Company. The risk-free rate was determined with reference to the yield rate of the Hong Kong Exchange Fund Notes with duration similar to the expected life of the options. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the fair value measurement of the services received at the date of grant. There were no market conditions associated with the share option grants.

23. CAPITAL AND RESERVES

a) Movements in components of equity

The Group

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity.

The Company

		Reserves							
	Share capital	Share premium	Capital redemption reserve	Share option reserve	Contributed surplus	Fair value reserve	Accumulated losses	Sub-total	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 January 2013	131,582	4,785	121	–	234,897	–	(110,289)	129,514	261,096
Changes in equity for 2013:									
Loss for the year	–	–	–	–	–	–	(12,876)	(12,876)	(12,876)
Other comprehensive income for the year	–	–	–	–	–	1,080	–	1,080	1,080
Total comprehensive loss for the year	–	–	–	–	–	1,080	(12,876)	(11,796)	(11,796)
Equity-settled share-based transactions	–	–	–	9,505	–	–	–	9,505	9,505
At 31 December 2013	131,582	4,785	121	9,505	234,897	1,080	(123,165)	127,223	258,805
At 1 January 2014	131,582	4,785	121	9,505	234,897	1,080	(123,165)	127,223	258,805
Changes in equity for 2014:									
Loss for the year	–	–	–	–	–	–	(2,257)	(2,257)	(2,257)
Other comprehensive income for the year	–	–	–	–	–	1,150	–	1,150	1,150
Total comprehensive loss for the year	–	–	–	–	–	1,150	(2,257)	(1,107)	(1,107)
Shares issued under share option scheme	208	456	–	(179)	–	–	–	277	485
Lapse of share options	–	–	–	(41)	–	–	41	–	–
At 31 December 2014	131,790	5,241	121	9,285	234,897	2,230	(125,381)	126,393	258,183

b) Share capital

Authorised and issued share capital

	2014		2013	
	Number of shares	Nominal value	Number of shares	Nominal value
	'000	*HK$'000*	*'000*	*HK$'000*
Authorised:				
Ordinary shares of HK$0.05 each	3,000,000	150,000	3,000,000	150,000
Ordinary shares, issued and fully paid:				
At 1 January	2,631,652	131,582	2,631,652	131,582
Share issued under share option scheme	4,150	208	–	–
At 31 December	2,635,802	131,790	2,631,652	131,582

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

c) Nature and purpose of reserves

i) Share premium and capital redemption reserve

The application of the share premium account and capital redemption reserve is governed by the Bermuda Companies Act.

ii) Share option reserve

The share option reserve comprises the portion of the grant date fair value of unexercised share options granted to directors, eligible employees and other eligible participants of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(n)(ii).

iii) Contributed surplus

The contributed surplus of the Company represents the difference between the nominal value of the shares issued by the Company and the aggregate of the share capital and the share premium accounts of the subsidiaries acquired. Under the Bermuda Companies Act, the Company may make distributions to its members out of contributed surplus in certain circumstances.

iv) Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial assets held at the end of the reporting period and is dealt with in accordance with the accounting policies set out in notes 2(e) and 2(h)(i).

d) Distributability of reserves

At 31 December 2014, the aggregate amount of reserves available for distribution to equity shareholders of the Company was approximately HK$109,516,000 (2013: HK$111,732,000).

e) Capital management

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

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

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, the Group defines net debt as total debt (which includes interest-bearing borrowings and other financial liabilities) less cash and cash equivalents. Capital comprises all components of equity.

During 2014, the Group's strategy, which was unchanged from 2013, was to maintain the net debt-to-capital ratio at below 60%. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

The net debt-to-capital ratio at 31 December 2014 and 2013 was as follows:

		The Group		The Company	
		2014	**2013**	**2014**	**2013**
	Note	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Total debt					
Financial liabilities included in trade and other payables	*20*	9,070	18,871	905	858
Less: Cash and cash equivalents	*19*	(41,507)	(58,686)	(6)	(2)
Net (cash)/debt		(32,437)	(39,815)	899	856
Capital		290,446	312,854	258,183	258,805
Net debt-to-capital ratio		N/A	N/A	0%	0%

At 31 December 2014 and 2013, neither the Company nor any of its subsidiaries were subject to any externally imposed capital requirements.

24. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (HK$25,000 prior 1 June 2014). Contributions to the plan vest immediately.

25. FINANCIAL RISK MANAGEMENT AND FAIR VALUES

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

a) Credit risk

The Group's and the Company's credit risk is primarily attributable to trade and other receivables, amount due from a subsidiary and cash at banks. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, credit evaluations are performed on all customers requiring credit over a certain amount. The Group grants a credit period of not more than 30 days from the date of billing. Debtors with balances that are more than 3 months overdue are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

In respect of the amount due from a subsidiary, the Company reviews the recoverable amount of the amount due from the subsidiary at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amount. In this regard, the management considers that the Company's credit risk is significantly reduced.

In respect of cash at bank, the Group and the Company limit their exposure to credit risk by placing deposits with financial institutions that meet the established credit rating. Given these high credit standing, the management does not expect any counterparty to fail to meet its obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer rather than the industry or country in which customers operate and therefore significant concentrations of credit risk primarily arise when the Group has significant exposure to individual customers. At the end of the reporting period, the Group has no significant concentration of credit risk.

At the end of the reporting period, other than the concentration of credit risk on the amount due from a subsidiary, the Company does not have any significant concentration of credit risk.

The Group and the Company do not provide any guarantees which would expose the Group or the Company to credit risk.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 18.

b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

	The Group				The Company			
	2014		2013		2014		2013	
	Contractual undiscounted cash outflow Within 1 year or on demand	Carrying amount at 31 December	Contractual undiscounted cash outflow Within 1 year or on demand	Carrying amount at 31 December	Contractual undiscounted cash outflow Within 1 year or on demand	Carrying amount at 31 December	Contractual undiscounted cash outflow Within 1 year or on demand	Carrying amount at 31 December
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Trade and other payables	9,070	9,070	18,871	18,871	905	905	858	858

c) Interest rate risk

The Group's interest rate risk arises primarily from cash and cash equivalents. The Group does not anticipate there is any significant impact on the cash and cash equivalents because the interest rates of bank deposits are not expected to change significantly.

In the opinion of the Company's directors, the Group's and the Company's exposure to interest rate risk is insignificant.

d) Currency risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Group's and the Company's exposure to currency risk is insignificant.

e) Fair values

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

Recurring fair value measurements

2014

	The Group Fair value measurements as at 31 December 2014 categorised into				The Company Fair value measurements as at 31 December 2014 categorised into			
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets								
Available-for-sale financial assets	3,600	–	–	3,600	3,600	–	–	3,600
Trading securities	433	–	–	433	–	–	–	–
	4,033	–	–	4,033	3,600	–	–	3,600

Recurring fair value measurements

2013

	The Group Fair value measurements as at 31 December 2013 categorised into				The Company Fair value measurements as at 31 December 2013 categorised into			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Assets								
Available-for-sale financial assets	2,450	–	–	2,450	2,450	–	–	2,450
Trading securities	339	–	–	339	–	–	–	–
	2,789	–	–	2,789	2,450	–	–	2,450

The fair value of financial assets traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the closing price.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at end of each reporting period.

There were no transfers of financial instruments between Levels 1, 2 and 3 during the year.

ii) *Fair values of financial instruments carried at other than fair value*

The carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2014 and 2013.

26. OPERATING LEASE COMMITMENTS

(a) The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

At 31 December 2014, the total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:

The Group as lessee

	The Group	
	2014	**2013**
	HK$'000	*HK$'000*
Within 1 year	2,169	4,789
After 1 year but within 5 years	–	2,149
	2,169	6,938

At 31 December 2014 and 2013, the Company had no operating lease commitments.

(b) At 31 December 2014, the Group contracted with tenants for the following total future minimum lease receivables:

The Group as lessor

	The Group	
	2014	**2013**
	HK$'000	*HK$'000*
Within 1 year	2,755	3,674
After 1 year but within 5 years	27	63
	2,782	3,737

27. MATERIAL RELATED PARTY TRANSACTIONS

a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Short-term employee benefits	16,476	17,383
Post-employment benefits	92	110
Termination benefits	–	1,600
Equity compensation benefits	–	8,162
	16,568	27,255

b) Financing arrangements

	As at 31 December	
	2014	**2013**
	HK$'000	*HK$'000*
Amount due from a fellow subsidiary	701	682

This represents the amount advanced to Hong Fok Land Investment Limited, a subsidiary of Hong Fok Land International Limited ("HFL"), a fellow subsidiary of the Company. The outstanding balance with this fellow subsidiary is unsecured, interest-free and has no fixed repayment terms. The amount due from the fellow subsidiary is included in "Trade and other receivable" (note 18). At 31 December 2014 and 2013, no provision for bad or doubtful debts have been made in respect of this amount due. The maximum amount outstanding during the year was approximately HK$701,000 (2013: HK$704,000).

c) Other related party transactions

	2014	2013
	HK$'000	*HK$'000*
Management fee income from a subsidiary of HFL for share of administrative expenses *(Note)*	2,510	2,737
Building management fee paid to a subsidiary of HFL for building management services rendered on completed properties held for sale owned by the Group	270	235

In the opinion of the directors, the above transactions were conducted in the ordinary course of business and on terms matually agreed by both parties.

Note: The management fee income is determined based on negotiation between both parties having regard to the cost of services on a quarterly basis.

28. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Key sources of estimation uncertainty

Note 25 contain information about the assumptions and their risk factors relating to valuation of financial instruments. Other key sources of estimation uncertainty are as follows:

a) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, after taking into account the estimated residual value. The Group reviews annually the useful life of an asset and its residual value, if any. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

The carrying amount of property, plant and equipment as at 31 December 2014 was HK$945,000 (2013: HK$1,118,000).

b) Valuation of inventories

Inventories are stated at the lower of cost and net realisable value at the end of the reporting period. Net realisable value is determined on the basis of the estimated selling price less the estimated costs necessary to make the sale. The management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. In addition, the management performs an inventory review on a product-by-product basis at the end of each reporting period and assesses the need for write down of inventories.

The carrying amount of inventories as at 31 December 2014 was HK$248,362,000 (2013: HK$250,161,000).

c) Allowance for impairment of doubtful debts

Allowance for impairment of doubtful debts are assessed and provided based on the directors' regular review of ageing analysis and evaluation of collectibility. A considerable level of judgement is exercised by the management when assessing the credit worthiness and past collection history of each individual customer. Any increase or decrease in the allowance for impairment of doubtful debts would affect profit or loss in future years.

The carrying amount of trade and other receivables as at 31 December 2014 was HK$2,431,000 (2013: HK$16,389,000).

d) Current taxation and deferred taxation

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The management evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilized, the management's judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax asset to be recovered.

As at and for the year ended 31 December 2014, no provisions for current tax and deferred tax were made (2013: HK$Nil).

29. CONTINGENT LIABILITY

In previous years, a subsidiary of the Group sold a property to a buyer. The buyer alleged that the subsidiary made certain representations in selling of the property. The buyer filed a claim with the High Court in Hong Kong claiming the repayment of consideration of approximately HK$9.8 million paid in purchasing the property and rescission of the contract together with related costs, interests and damages. The subsidiary filed a defense against the claim. During the year ended 31 December 2014, the buyer filed a mediation notice with the High Court attempting to resolve the claim through mediation but no compromise was reached by the both parties in the mediation meeting. The directors of the Company are of the view that the buyer's claim is based on unreasonable and invalid grounds and therefore unfounded. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the directors of the Company considered that no specific provision should be made in the financial statements.

30. IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2014, the directors consider the immediate parent and ultimate controlling party of the Company to be Hong Fok Corporation (Cayman) Limited, which was incorporated in Cayman Islands with limited liability, and Hong Fok Corporation Limited, which was incorporated in the Republic of Singapore with limited liability and is listed on the Singapore Exchange Securities Trading Limited, respectively. The immediate parent company does not produce financial statements available for public use while the ultimate controlling party produces financial statements under Singapore Financial Reporting Standards for public use.

31. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2014

Up to the date of issuance of these financial statements, the HKICPA has issued several amendments and standards which are not yet effective for the year ended 31 December 2014 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRSs, *Annual improvements to HKFRSs 2010-2012 Cycle*	1 July 2014
Amendments to HKFRSs, *Annual improvements to HKFRSs 2011-2013 Cycle*	1 July 2014
Amendments to HKFRS, *Annual improvements to HKFRSs 2012-2014 Cycle*	1 January 2016
HKFRS 14, *Regulatory deferral accounts*	1 January 2016
Amendments to HKAS 19, *Defined benefit plan: Employee contributions*	1 July 2014
HKFRS 9, *Financial instruments*	1 January 2018
HKFRS 15, *Revenue from contracts with customers*	1 January 2017
Amendments to HKFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to HKAS 16 and HKAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
Amendments to HKAS 1, *Disclosure initiative*	1 January 2016
Amendments to HKFRS 10, HKFRS 12 and HKAS 28, *Investment entities: Applying the consolidation exception*	1 January 2016
Amendments to HKAS 16 and HKAS 41, *Agriculture: Bearer plants*	1 January 2016
Amendments to HKAS 27, *Equity method in separate financial statements*	1 January 2016
Amendments to HKFRS 10 and HKFRS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	1 January 2016

The Group is in the process of making an assessment of what the impact of these amendments and standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, the requirements of Part 9, "Accounts and Audit", of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Company's first financial year commencing after 3 March 2014 (i.e. the Company's financial year which began on 1 January 2015) in accordance with section 358 of that Ordinance. The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statement.

4. UNAUDITED CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

The followings are the unaudited consolidated financial statements of the Group extracted from the interim report of the Company for the six months ended 30 June 2015.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015

		Unaudited six months ended 30 June	
		2015	**2014**
	Note	*HK$'000*	*HK$'000*
Turnover	*3*	2,505	3,024
Cost of sales		(404)	(506)
Gross profit		2,101	2,518
Net gain on trading securities		48	1
Other revenue		4,579	4,002
Other net (loss)/income		(9)	2,375
Operating and administrative expenses		(17,889)	(17,395)
Loss from operations		(11,170)	(8,499)
Finance costs		–	–
Loss before taxation	*4*	(11,170)	(8,499)
Income tax expense	*5*	–	–
Loss for the period		(11,170)	(8,499)
Attributable to:			
Equity shareholders of the Company		(11,170)	(8,499)
Non-controlling interests		–	–
		(11,170)	(8,499)
Basic and diluted loss per share	*6*	HK cent (0.42)	HK cent (0.32)

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

		Unaudited six months ended 30 June	
		2015	**2014**
	Note	*HK$'000*	*HK$'000*
Loss for the period		(11,170)	(8,499)
Other comprehensive income for the period (after tax and reclassification adjustments)			
Items that may be reclassified subsequently to profit or loss			
Available-for-sale financial assets: net movement in fair value reserve		1,600	–
Total comprehensive loss for the period		(9,570)	(8,499)
Attributable to:			
Equity shareholders of the Company		(9,570)	(8,499)
Non-controlling interests		–	–
Total comprehensive loss for the period		(9,570)	(8,499)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2015

	Note	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Non-current assets			
Fixed assets	8	804	945
Available-for-sale financial assets	9	5,200	3,600
		6,004	4,545
Current assets			
Trading securities	10	481	433
Inventories	11	249,419	248,362
Trade and other receivables	12	2,732	5,014
Cash and cash equivalents		30,254	41,507
		282,886	295,316
Current liabilities			
Trade and other payables	13	7,547	9,415
Net current assets		275,339	285,901
NET ASSETS		281,343	290,446
Capital and reserves			
Share capital	14	131,990	131,790
Reserves		149,353	158,656
Total equity attributable to equity shareholders of the Company		281,343	290,446
Non-controlling interests		–	–
TOTAL EQUITY		281,343	290,446

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Attributable to equity shareholders of the Company								
	Share capital (Unaudited) *HK$'000*	Share premium (Unaudited) *HK$'000*	Capital redemption reserve (Unaudited) *HK$'000*	Share option reserve (Unaudited) *HK$'000*	Fair value reserve (Unaudited) *HK$'000*	Retained profits (Unaudited) *HK$'000*	Total (Unaudited) *HK$'000*	Non-controlling interests (Unaudited) *HK$'000*	Total equity (Unaudited) *HK$'000*
At 1 January 2014	131,582	4,785	121	9,505	1,080	165,781	312,854	–	312,854
Loss for the period	–	–	–	–	–	(8,499)	(8,499)	–	(8,499)
Other comprehensive income for the period	–	–	–	–	–	–	–	–	–
Total comprehensive loss for the period	–	–	–	–	–	(8,499)	(8,499)	–	(8,499)
Lapse of share option	–	–	–	(35)	–	35	–	–	–
At 30 June 2014	131,582	4,785	121	9,470	1,080	157,317	304,355	–	304,355
At 1 January 2015	131,790	5,241	121	9,285	2,230	141,779	290,446	–	290,446
Loss for the period	–	–	–	–	–	(11,170)	(11,170)	–	(11,170)
Other comprehensive income for the period	–	–	–	–	1,600	–	1,600	–	1,600
Total comprehensive loss for the period	–	–	–	–	1,600	(11,170)	(9,570)	–	(9,570)
Shares issued under share option scheme	200	440	–	(173)	–	–	467	–	467
At 30 June 2015	131,990	5,681	121	9,112	3,830	130,609	281,343	–	281,343

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Unaudited six months ended 30 June	
	2015	**2014**
	HK$'000	*HK$'000*
Operating activities		
Loss before taxation	(11,170)	(8,499)
Adjustments for:		
Write-back of provision forconstruction costs	–	(2,375)
Others	59	19
Changes in working capital:		
(Increase)/Decrease in inventories	(121)	4
Decrease in trade and other receivable	2,282	2,510
Decrease in trade and other payable	(2,804)	(6,144)
Net cash used in operating activities	(11,754)	(14,485)
Investing activities:		
Net cash flows arising from investing activities	34	52
Net cash generated from investing activities	34	52
Financing activities:		
Proceeds from shares issued under share option scheme	467	–
Net cash generated from financing activities	467	–
Net decrease in cash and cash equivalents	(11,253)	(14,433)
Cash and cash equivalents as at 1 January	41,507	58,686
Cash and cash equivalents at 30 June	30,254	44,253

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The interim condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee of the Company. The interim condensed consolidated financial statements have been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting", issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

The interim condensed consolidated financial statements have been prepared under the historical cost convention except for available-for-sale financial assets and trading securities which are stated at fair values.

The interim condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of changes in accounting policies are set out in note 2.

The preparation of an interim condensed consolidated financial statements in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim condensed consolidated financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The interim condensed consolidated financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

The financial information relating to the financial year ended 31 December 2014 that is included in the interim condensed consolidated financial statements as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available from the Company's principal office in Hong Kong. The auditor has expressed an unqualified opinion on those financial statements in their report dated 27 February 2015.

2. CHANGES IN ACCOUNTING POLICIES

In the current interim period, the Group has applied, for the first time, the following new and revised HKFRSs issued by the HKICPA:

- Annual Improvements to HKFRSs 2010-2012 Cycle
- Annual Improvements to HKFRSs 2011-2013 Cycle

None of these developments have had a material effect on how the Group's result and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and performance assessment, the Group has presented the following four reportable segments. No operating segments have been aggregated to form the following reportable segments.

– Property development: this segment develops and sells the Group's residential properties.

– Horticultural services: this segment provides horticultural services.

– Property management and other related services: this segment mainly provides building management services.

– Securities trading: this segment engages in the trading of securities.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Company's executive directors monitor the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible and current assets with the exception of available-for-sale financial assets, deferred tax assets and other corporate assets. Segment liabilities include trade creditors, accruals and other payables attributable to the activities of the individual segments managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "adjusted EBITDA" i.e. "adjusted earnings before interest, taxes, depreciation and amortisation", where "interest" is regarded as including investment income and "depreciation and amortisation" is regarded as including impairment losses on non-current assets. To arrive at adjusted EBITDA the Group's earnings are further adjusted for items not specifically attributed to individual segments, such as directors' and auditors' remuneration and other corporate administration costs.

In addition to receiving segment information concerning adjusted EBITDA, management is provided with segment information concerning revenue (including inter segment sales), interest income from cash balances managed directly by the segments, depreciation and amortisation, material non-cash items and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments as provided to the Company's executive directors for the purposes of resource allocation and assessment of segment performance for the six months ended 30 June 2015 and 2014 is set out below.

For the six months ended 30 June (Unaudited)	**Property development**		**Horticultural services**		**Property management and other related services**		**Securities trading**		**Total**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue from external customers	–	–	2,402	2,807	103	217	–	–	2,505	3,024
Inter-segment revenue	–	–	23	26	–	51	–	–	23	77
Reportable segment revenue	–	–	2,425	2,833	103	268	–	–	2,528	3,101
Reportable segment profit /(loss) (adjusted EBITDA)	(8,400)	(6,281)	493	697	214	260	48	1	(7,645)	(5,323)

	Property development		**Horticultural services**		**Property management and other related services**		**Securities trading**		**Total**	
	Unaudited 30 June 2015	**Audited 31 December 2014**	**Unaudited 30 June 2015**	**Audited 31 December 2014**	**Unaudited 30 June 2015**	**Audited 31 December 2014**	**Unaudited 30 June 2015**	**Audited 31 December 2014**	**Unaudited 30 June 2015**	**Audited 31 December 2014**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Reportable segment assets	253,218	250,274	1,181	1,418	1,050	969	493	445	255,942	253,106
Reportable segment liabilities	6,178	7,808	266	162	43	42	27	27	6,514	8,039

For the six months ended 30 June 2015, revenue of approximately HK$376,000 was derived from a single external customer who contributed more than 10% of total revenue of the Group. This revenue was attributable to the horticultural services segment.

For the six months ended 30 June 2014, revenue of approximately HK$1,006,000 was derived from a single external customer who contributed more than 10% of total revenue of the Group. This revenue was attributable to the horticultural services segment.

(b) Reconciliations of reportable segment revenue, profit or loss, assets and liabilities

	Unaudited six months ended 30 June 2015 HK$'000	2014 HK$'000
Revenue		
Reportable segment revenue	2,528	3,101
Elimination of inter-segment revenue	(23)	(77)
Consolidated turnover	2,505	3,024
Profit or loss		
Reportable segment loss	(7,645)	(5,323)
Elimination of inter-segment profit	(23)	(77)
Reportable segment loss derived from Group's external customers	(7,668)	(5,400)
Other revenue and net income	983	1,195
Depreciation and amortisation	(132)	(72)
Finance costs	–	–
Unallocated corporate expenses	(4,353)	(4,222)
Consolidated loss before taxation	(11,170)	(8,499)

	Unaudited 30 June 2015 HK$'000	Audited 31 December 2014 HK$'000
Assets		
Reportable segment assets	255,942	253,106
Available-for-sale financial assets	5,200	3,600
Unallocated corporate assets		
– cash and cash equivalent	26,614	39,432
– other assets	1,134	3,723
Consolidated total assets	288,890	299,861
Liabilities		
Reportable segment liabilities	6,514	8,039
Unallocated corporate liabilities	1,033	1,376
Consolidated total liabilities	7,547	9,415

(c) Other segment information

	Property development		Horticultural services		Property management and other related services		Securities trading		Unallocated		Total	
	Unaudited 30 June 2015	Unaudited 30 June 2014	Unaudited 30 June 2015	Unaudited 30 June 2014	Unaudited 30 June 2015	Unaudited 30 June 2014	Unaudited 30 June 2015	Unaudited 30 June 2014	Unaudited 30 June 2015	Unaudited 30 June 2014	Unaudited 30 June 2015	Unaudited 30 June 2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Interest income	–	8	–	–	–	–	–	–	34	44	34	52
Interest expense	–	–	–	–	–	–	–	–	–	–	–	–
Rental income from operating leases	3,438	2,807	–	–	–	–	–	–	–	–	3,438	2,807
Depreciation and amortisation	–	–	(4)	(1)	(15)	(8)	–	–	(113)	(63)	(132)	(72)
Income tax expense	–	–	–	–	–	–	–	–	–	–	–	–
Additions to non-current segment assets during the year	–	–	–	–	–	–	–	–	–	–	–	–

(d) Geographic information

No geographical information is shown as all the Group's revenue and results of operations are derived from and all the Group's assets are located in Hong Kong.

4. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging/(crediting):

	Unaudited six months ended 30 June	
	2015	**2014**
	HK$'000	*HK$'000*
Depreciation and amortisation	132	72
Cost of inventories	404	506
Loss on disposal of fixed assets	9	–
Interest income	(34)	(52)
Net realised and unrealised gains on trading securities	(48)	(1)

5. INCOME TAX

No Hong Kong Profits Tax for the six months ended 30 June 2015 and 2014 has been provided for as the Group has no estimated assessable profits arising in Hong Kong.

6. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity shareholders of the Company of HK$11,170,000 (2014: HK$8,499,000) for the period and the weighted average number of approximately 2,638,277,000 (2014: 2,631,652,000) ordinary shares in issue during the period.

(b) Diluted loss per share

The calculation of diluted loss per share for the six months ended 30 June 2015 and 2014 does not assume the exercise of the Company's outstanding share options as the exercise of the share options would result in a decrease in loss per share.

7. INTERIM DIVIDEND

The directors of the Company do not recommend the payment of any interim dividend for the six months ended 30 June 2015 (2014: Nil).

8. FIXED ASSETS

	Interests in leasehold land held for own use under finance leases (Unaudited) *HK$'000*	**Buildings held for own use carried at fair value (Unaudited)** *HK$'000*	**Furniture, equipment and other fixed assets (Unaudited)** *HK$'000*	**Total (Unaudited)** *HK$'000*
At 1 January 2015	708	110	127	945
Disposal	–	–	(9)	(9)
Amortisation and depreciation	(12)	(2)	(118)	(132)
At 30 June 2015	696	108	–	804

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Unaudited 30 June 2015 *HK$'000*	**Audited 31 December 2014** *HK$'000*
Unlisted debt securities at fair value	5,200	3,600

10. TRADING SECURITIES

	Unaudited 30 June 2015 *HK$'000*	Audited 31 December 2014 *HK$'000*
Listed equity securities at fair value – in Hong Kong	481	433

11. INVENTORIES

	Unaudited 30 June 2015 *HK$'000*	Audited 31 December 2014 *HK$'000*
Horticultural plants	465	461
Completed properties held for sale	248,954	247,901
	249,419	248,362

The completed properties held for sale are held in Hong Kong under long-term leases.

12. TRADE AND OTHER RECEIVABLES

	Unaudited 30 June 2015 *HK$'000*	Audited 31 December 2014 *HK$'000*
Trade debtors		
Within 1 month	411	517
After 1 month but within 3 months	129	198
Over 3 months	25	4
	565	719
Amount due from a fellow subsidiary	–	701
Receivables for monies held by the solicitor in accordance with the relevant property sale agreements	–	50
Other debtors	1,082	961
Loans and receivables	1,647	2,431
Rental and other deposits	283	1,877
Prepayments	802	706
	2,732	5,014

The Group's trade receivables are due within 30 days from the date of billing.

13. TRADE AND OTHER PAYABLES

	Unaudited 30 June 2015 *HK$'000*	Audited 31 December 2014 *HK$'000*
Trade creditors		
Within 1 month	18	8
After 3 months but within 6 months	936	–
Over 6 months	100	103
	1,054	111
Retentions payable	–	50
Other creditors and accrued charges	6,172	8,909
Financial liabilities measured at amortised cost	7,226	9,070
Receipt-in-advance	321	345
	7,547	9,415

14. SHARE CAPITAL

	Unaudited 30 June 2015		Audited 31 December 2014	
	Number of shares *'000*	Nominal value *HK'000*	Number of shares *'000*	Nominal value *HK'000*
Authorised:				
ordinary shares of HK$0.05 each	3,000,000	150,000	3,000,000	150,000
Ordinary shares, Issue and fully paid:				
At 1 January	2,635,802	131,790	2,631,652	131,582
Share issued under share option scheme	4,000	200	4,150	208
At 30 June/31 December	2,639,802	131,990	2,635,802	131,790

Share options

Details of the Company's share option schemes and the share options issued under the schemes are included in the additional information to this interim report.

15. FAIR VALUE MEASUREMENT

i) Financial instruments carried at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair Value Measurement*. The level into which a fair value measurement is classified and determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date

- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available

- Level 3 valuations: Fair value measured using significant unobservable inputs

30 June 2015 (unaudited)

	Fair value measurements at 30 June 2015 categorised into			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements				
Assets				
Available-for-sale financial assets	5,200	–	–	5,200
Trading securities	481	–	–	481
	5,681	–	–	5,681

31 December 2014 (audited)

	Fair value measurements at 31 December 2014 categorised into			
	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Recurring fair value measurements				
Assets				
Available-for-sale financial assets	3,600	–	–	3,600
Trading securities	433	–	–	433
	4,033	–	–	4,033

The fair value of financial assets traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group and the Company is the closing price.

The fair value of financial assets that are not traded in an active market is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period.

There were no transfers of financial instruments between Level 1, 2 and 3 during the period.

ii) Fair values of financial instruments carried at other than fair value

The directors of the Company consider that the carrying amounts of financial instruments recorded at amortized cost in the interim condensed consolidated financial statements were approximately equal to their fair values.

16. OPERATING LEASE COMMITMENTS

(a) The Group is the lessee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

As at 30 June 2015, the total future minimum lease payments under non-cancellable operating leases in respect of properties are payable as follows:

The Group as lessee

	Unaudited 30 June 2015	**Audited 31 December 2014**
	HK$'000	*HK$'000*
Within 1 year	60	2,169

(b) As at 30 June 2015, the Group contracted with tenants for the following total future minimum lease receivables:

The Group as lessor

	Unaudited 30 June 2015	**Audited 31 December 2014**
	HK$'000	*HK$'000*
Within 1 year	2,259	2,755
After 1 year but within 5 years	35	27
	2,294	2,782

17. MATERIAL RELATED PARTY TRANSACTIONS

a) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the directors and certain of the highest paid employees, is as follows:

	Unaudited six months ended 30 June	
	2015	**2014**
	HK$'000	*HK$'000*
Short-term employee benefits	6,804	6,470
Post-employment benefits	37	39
	6,841	6,509

b) Financing arrangements

	Unaudited 30 June 2015	**Audited 31 December 2014**
	HK$'000	*HK$'000*
Amount due from a fellow subsidiary	–	701

The outstanding balance with this fellow subsidiary is unsecured, interest free and has no fixed repayment terms.

c) Other related party transactions

During the period ended 30 June 2015, the Group received management fee of approximately HK$1.0 million (2014: HK$1.1 million) from a subsidiary of Hong Fok Land International Limited ("HFL"), a fellow subsidiary of the Company, for share of administrative expenses. The management fee is determined quarterly between the respective parties after negotiations having regard to the cost of services provided. In the opinion of the directors of the Company, this transaction was conducted in the ordinary course of the Group's business on terms mutually agreed by both parties.

18. CONTINGENT LIABILITY

In previous years, a subsidiary of the Group sold a property to a buyer. The buyer alleged that the subsidiary made certain representations in selling of the property. The buyer filed a claim with the High Court in Hong Kong claiming the repayment of consideration of approximately HK$9.8 million paid in purchasing the property and rescission of the contract together with related costs, interests and damages. The subsidiary filed a defense against the claim. The directors of the Company are of the view that the buyer's claim is based on unreasonable and invalid grounds and therefore unfounded. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the directors of the Company considered that no specific provision should be made in the financial statements.

5. INDEBTEDNESS

Borrowings

As at the close of business on 31 August 2015, being the latest practicable date for the purpose of the statement of indebtedness, the Group had no outstanding borrowings or debt securities.

Contingent liabilities

As at the close of business on 31 August 2015, the Group was involved in two litigations as follows:

i) On 17 December 2010, a subsidiary of the Group sold a property to a buyer. The buyer alleged that the subsidiary made certain representations in the selling of the property. The buyer filed a claim on 5 January 2012 with the High Court in Hong Kong claiming the repayment of consideration of approximately HK$9.8 million paid in purchasing the property and rescission of the contract together with related costs, interests and damages. The subsidiary filed a defense on 26 April 2012 against the claim. The Board is of the view that the buyer's claim is based on unreasonable and invalid grounds and therefore unfounded. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the Board considered that no specific provision should be made in the financial statements.

ii) An employee of the Group filed a claim on 6 August 2015 with the District Court in Hong Kong for the compensation to personal injury arising out of and in the course of employment. The case hearing will be held on 26 February 2016. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the Board concluded that no specific provision should be made in the financial statements. On the other hand, the Group has an employees' compensation insurance policy in place, the limit of which is up to HK$100 million for any one accident, to cover the claim if necessary.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any borrowings (including bank overdrafts, liabilities under acceptances other than normal trade bills, acceptance credits and finance lease commitments), debt securities, mortgages and charges, loan capital and contingent liabilities or guarantees as at the close of business on 31 August 2015. The Board confirmed that there had been no material change in the indebtedness of the Group since 31 August 2015.

6. MATERIAL CHANGE

The Directors hereby confirmed that, save and except for:

(i) the completion of the Sale and Purchase Agreement on 18 September 2015;

(ii) the disposal of certain parking spaces at The ICON to an independent third party pursuant to a sale and purchase agreement dated 17 September 2015, and the consideration amount of HK$7,100,000 for such disposal is expected to be reflected in the Group's turnover for the year ending 31 December 2015; and

(iii) a litigation application filed by an employee of the Group on 6 August 2015 in relation to claims for employment injuries, the amount of which is still subject to the Court's determination.

there has been no material change in the financial or trading position or outlook of the Group since 31 December 2014, being the date to which the latest published audited financial statements of the Group have been made up, up to and including the Latest Practicable Date.

DTZ CUSHMAN & WAKEFIELD
戴德梁行

16th Floor
Jardine House
1 Connaught Place
Central
Hong Kong

6 November 2015

The Directors
Winfoong International Limited
Room 3201, 32/F
9 Queen's Road Central
Hong Kong

Dear Sirs,

Instructions, Purpose & Date of Valuation

We refer to your instructions for us to carry out market valuations of the properties held by Winfoong International Limited (the "Company") and/or its subsidiaries (together the "Group") in Hong Kong. We confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of these properties as at 31 August 2015 (the "Valuation Date").

Basis of Valuation

Our valuation of each property represents its market value which in accordance with the HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors is defined as "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".

Valuation Basis and Assumptions

In valuing the properties, we have complied with the requirements set out in Chapter 5 of the Rules Governing the Listing of Securities published by The Stock Exchange of the Hong Kong Limited, The Codes on Takeovers and Mergers and Share Buy-backs of Securities and Futures Commission and The HKIS Valuation Standards (2012 Edition) published by the Hong Kong Institute of Surveyors.

Our valuation of each property excludes an estimated price inflated or deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangement, special considerations or concessions granted by anyone associated with the sale, or any element of special value.

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

Method of Valuation

We have valued the properties by capitalising the net rental income provided to us with due allowance for outgoings and reversionary income potential and where appropriate by direct comparison approach by making reference to comparable sales transactions as available in the relevant market.

According to the information provided by the Group, the potential tax liability of the properties which would arise on disposal of the properties is profits tax of 16.5% of net profit upon disposal, save for deduction of any profit which is capital in nature. Further, in respect of the properties in Group I and Group II, which are held by the Group for sale and owner occupation respectively, the Group is of the view that the likelihood of the relevant tax liability being crystalized are remote as the Group has no plans at present for the disposal of property in respect of property no. 2 of Group II which is held for owner occupation. In respect of property no. 3 of Group II, the gain on the disposal of the property is capital in nature and the property in Group I which is held for sale, the estimated amount of potential tax liability will be offset by the amount of tax loss.

Source of Information

We have relied to a very considerable extent on the information given to us by the Group and have accepted your advice on such matters as statutory notices, easements, tenure, identification of properties, particulars of occupancy, rental incomes and other details of lettings, floor plans, number of parking spaces and all other relevant matters.

Dimensions, measurements and areas included in the valuation certificates are based on information provided to us and are therefore only approximations. We have no reason to doubt the truth and accuracy of the information provided to us by the Group which is material to the valuations. We were also advised by the Group that no material facts have been omitted from the information provided.

Title Investigation

We have caused searches to be made at the Land Registry. However, we have not searched the original documents to verify ownership or to verify any amendments to any documents. All documents and leases have been used for reference only and all dimensions, measurements and areas are approximate.

Site Inspection

Our valuers, Ms Amy Ho and Ms Felice Wang inspected the exterior and wherever possible the interior of the properties in October 2015. However, no structural survey has been made, but in the course of our inspection, we did not note any serious defects. We are not, however, able to report whether the properties are free of rot, infestation or any other structural defects. No test was carried out on any of the services.

We enclose herewith a summary of valuations and our valuation certificates for your attention.

Yours faithfully,
For and on behalf of
DTZ Debenham Tie Leung Limited
K. B. Wong
MHKIS, RPS(GP)
Senior Director, Valuation & Advisory Services

Note: Mr K B Wong is a Registered Professional Surveyor (General Practice) who has over 30 years' experience in valuation of properties.

SUMMARY OF VALUATIONS

	Property	Market value in existing state as at 31 August 2015 *HK$*
Group I – Property held by the Group for sale		
1.	Flats A on 11th, 12th, 17th to 19th, 21st to 23rd, 26th to 28th, 30th and 32nd Floors, Flat B on 32nd Floor, Flats C on 30th to 32nd Floors, Flats D on 11th, 12th, 18th to 23rd, 25th, 26th and 30th to 32nd Floors, Roof A, Roof D, Parking Spaces Nos. 2-8 and Motorcycle Parking Space No. M1, The ICON, 38 Conduit Road, Mid-Levels, Hong Kong	387,100,000
	Sub-total of Group I:	**387,100,000**
Group II – Properties held by the Group for owner-occupation		
2.	4th Floor, Lico Industrial Building, 324 Kwun Tong Road, Ngau Tau Kok, Kowloon	8,400,000
3.	Goods Vehicle Parking Space No. 7 on Ground Floor, Wing Fok Centre, 1 Luen Chit Street, Fanling, New Territories	500,000
	Sub-total of Group II:	**8,900,000**
	Grand Total:	**396,000,000**

VALUATION CERTIFICATE

Group I – Property held by the Group for sale

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2015
1.	Flats A on 11th, 12th, 17th to 19th, 21st to 23rd, 26th to 28th, 30th and 32nd Floors, Flat B on 32nd Floor, Flats C on 30th to 32nd Floors, Flats D on 11th, 12th, 18th to 23rd, 25th, 26th and 30th to 32nd Floors, Roof A, Roof D, Parking Spaces Nos. 2-8 and Motorcycle Parking Space No. M1, The ICON, 38 Conduit Road, Mid-Levels, Hong Kong Situated within the Remaining Portion of Inland Lot No. 1253	The property comprises 30 domestic units, the roofs, 7 car parking spaces and 1 motor cycle space of a 23-storey residential building completed in 2010. The total gross floor area and saleable area of the domestic units are about 21,024 sq.ft. (1,953.18 sq.m.) and 13,776 sq.ft.(1,279.82 sq.m.) respectively. In addition, the total area of the roofs is about 1,464 sq.ft. (136.01 sq.m.), excluding the area of parking spaces. The locality of the property is served by public transport services and characterised by residential developments of various ages. The property is held under a Government lease for a term of 999 years from 25 June 1861. The Government rent payable for Inland Lot No. 1253 is HK$28 per annum.	At the Valuation Date, except for a total gross floor area of about 5,763 sq.ft. which was vacant, the property was let to various tenants with the latest tenancy due to expire in August 2017 at a total monthly rent of about HK$537,600.	HK$387,100,000

Notes:

(1) The registered owner of the property is Super Homes Limited, a wholly owned subsidiary of the Company.

(2) Parking spaces Nos. 2-8 and Motorcycle Parking Space No. M1 of the property were agreed to be sold after the Valuation Date by way of an Agreement for Sale and Purchase vide Memorial No. 15101301570015 dated 17 September 2015 in favour of King Dynasty Limited, an independent third party. According to the Group, the sale was completed on 29 October 2015.

(3) The property is zoned for "Residential (Group B)" use under Mid-Levels West Outline Zoning Plan No. S/H11/15 dated 2 March 2010.

VALUATION CERTIFICATE

Group II – Properties held by the Group for owner-occupation

	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at 31 August 2015
2.	4th Floor, Lico Industrial Building, 324 Kwun Tong Road, Ngau Tau Kok, Kowloon Situated within Kwun Tong Inland Lot No. 549	The property comprises the whole of 4th floor of a 10-storey industrial building completed in 1966. The saleable area of the property is approximately 2,261 sq.ft. (210.05 sq.m.). The locality of the property is served by public transport services and characterised by industrial developments of various ages. The property is held under a Government lease for a term of 99 years less the last 3 days thereof from 1 July 1898 which has been statutorily extended to 30 June 2047. The Government rent payable for the lot is an amount equal to 3% of the rateable value for the time being of the lot per annum.	At the Valuation Date, the property was occupied by the Group.	HK$8,400,000

Notes:

(1) The registered owner of the property is Donwin Property Limited, a wholly owned subsidiary of the Company.

(2) The property is zoned for "Other Specified Uses (Business)" use under Kwun Tong South Outline Zoning Plan No. S/K14S/20 dated 21 July 2015.

VALUATION CERTIFICATE

Group II – Properties held by the Group for owner-occupation

	Property	**Description and tenure**	**Particulars of occupancy**	**Market value in existing state as at 31 August 2015**
3.	Goods Vehicle Parking Space No. 7 on Ground Floor, Wing Fok Centre, 1 Luen Chit Street, Fanling, New Territories Situated within Fanling Sheung Shui Town Lot No. 69	The property comprises a goods vehicle parking space on the ground floor of Wing Fok Centre which was completed in 1993. The locality of the property is served by public transport services and characterised by residential developments of various ages. The property is held under New Grant No. N12528 for a term commencing on 28 November 1991 and expiring on 30 June 2047. The Government rent payable for the lot is an amount equal to 3% of the rateable value for the time being of the lot per annum.	At the Valuation Date, the property was vacant.	HK$500,000

Notes:

(1) The registered owner of the property is Sui Chong International (H.K.) Limited, a wholly owned subsidiary of the Company.

(2) According to the Group, the entire issued share capital of Sui Chong International (H.K.) Limited, which is the registered owner of Goods Vehicle Parking Space No. 7 on Ground Floor of Wing Fok Centre, was agreed to be sold after the Valuation Date by way of an Agreement for Sale and Purchase dated 17 September 2015 and the sale was completed on 29 October 2015.

(3) The property is zoned for "Residential (Group A)" use under Fanling Sheung Shui Outline Zoning Plan No. S/FSS/20 dated 16 June 2015.

1. RESPONSIBILITY STATEMENT

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than the opinion expressed by the Offeror, its ultimate beneficial owner and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. SHARE CAPITAL

As at the Latest Practicable Date, the authorized and issued share capital of the Company was as follows:

Authorised:		*HK$*
3,000,000,000	Shares of HK$0.05 each	150,000,000.00
Issued:		
2,665,902,084	Shares of HK$0.05 each	133,295,104.20

The total number of issued Shares as at the end of the last financial year of the Company (being 31 December 2014) was 2,635,802,084 Shares and 30,100,000 Shares have been issued since that date up to the Latest Practicable Date.

All of the existing issued Shares currently in issue rank pari passu in all respects with each other, including all rights in respect of dividends, voting and interest in capital.

As at the Latest Practicable Date, there were 153,200,000 outstanding Options entitling the holders thereof to subscribe up to 153,200,000 new Shares at an exercise price of HK$0.1168. All the Options were granted pursuant to the Share Option Scheme.

As at the Latest Practicable Date, save as mentioned above, the Company has no outstanding warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares and the Company has not entered into any agreement for the issue of any Shares or any warrants, derivatives, options or other securities which may confer any rights to the holder(s) thereof to subscribe for, convert or exchange into Shares.

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executive's interests

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares and underlying Shares were set out as follows:

Name of Directors	Capacity	Number of Shares and underlying Shares interested	Approximate % of the total issued share capital of the Company
Cheong Pin Chuan, Patrick	Beneficial owner	26,000,000 *(Note)*	0.92%
Cheong Sim Eng	Beneficial owner	26,000,000 *(Note)*	0.92%
Cheong Hooi Kheng	Beneficial owner	26,000,000 *(Note)*	0.92%
Chan Yee Hoi, Robert	Beneficial owner	586,000	0.02%
Leung Wing Ning	Beneficial owner	700,000	0.03%
Kwik Sam Aik	Beneficial owner	700,000	0.03%

Note: Includes 26,000,000 Options granted by the Company.

Save as disclosed in this sub-section (a), none of the Directors and chief executive of the Company had any interests in the Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company.

(b) Substantial Shareholders' interests

As at the Latest Practicable Date, the following interests of 5% or more of the issued share capital of the Company were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO:

Name of Shareholders	Capacity	Number of Shares	Number of underlying Shares	Approximate % of the total issued share capital of the Company
The Offeror	Beneficial owner *(Note)*	1,652,910,365	–	62.00%
Mr. Li	Interest of controlled corporation *(Note)*	1,652,910,365	–	62.00%
Barragan Trading Corp.	Beneficial owner	285,312,566	–	10.70%
Dekker Assets Ltd.	Beneficial owner	260,778,106	–	9.78%
Regent Trading Limited	Beneficial owner	146,061,276	–	5.48%

Note: As at the Latest Practicable Date, the Offeror was wholly-owned by Mr. Li. Accordingly, Mr. Li was deemed to be interested in 1,652,910,365 Shares held through the Offeror.

Save as disclosed in this sub-section (b), the Company had not been notified of other relevant interests or short positions in the Shares and underlying Shares as the Latest Practicable Date as required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

(c) Interest in the Offeror

As at the Latest Practicable Date, none of the Company nor any of the Directors had any interest in the shares, warrants, options, derivatives or securities carrying conversion or subscription rights into shares of the Offeror.

(d) Intention of the Directors

As at the Latest Practicable Date, the Directors have indicated that they intend as follows:

(i) if the market price of the Shares is above the Offer Price, the Directors will consider selling some or all of their respective Shares (in case of Options, upon exercise of the Options) in the market; and

(ii) if the market price of the Shares is below the Offer Price (depending on the circumstances which have caused such fall in price of the Shares) or the market does not have sufficient liquidity for the Shares held by the Directors, the Directors will seriously consider accepting the Offers in respect of all of their respective Shares and Options.

In any event, the Directors have indicated that depending on market conditions, they intend to dispose of their respective existing Shares or Options in a manner which maximizes their investment return.

4. DEALINGS IN SECURITIES OF THE COMPANY

During the Relevant Period,

(a) save for the Sale Shares under the Sale and Purchase Agreement and the following dealings made by the following Directors, no Director had dealt for value in any shareholdings of the Company:

Name of Directors	Date of dealing	Type of dealing	Number of Shares involved	Average price per Share *(HK$)*
Mr. Cheong Pin Chuan, Patrick (Note 1)	7 October 2015	Sell	2,549,700	0.717
	9 October 2015	Sell	303,000	0.640
	12 October 2015	Sell	198,000	0.602
	13 October 2015	Sell	168,000	0.556
	14 October 2015	Sell	518,000	0.500
Ms. Cheong Hooi Kheng	7 October 2015	Sell	1,273,000	0.693
	8 October 2015	Sell	927,000	0.603
Mr. Chan Yee Hoi, Robert	8 October 2015	Exercise of Option	700,000	0.117
	2 November 2015	Sell	30,000	0.485
	3 November 2015	Sell	34,000	0.518
	4 November 2015	Sell	50,000	0.52
Mr. Leung Wing Ning	12 October 2015	Exercise of Option	700,000	0.117
Mr. Kwik Sam Aik	13 October 2015	Exercise of Option	700,000	0.117

Note:

1. Mr. Cheong Pin Chuan, Patrick is deemed to be interested in Shares owned by Madam Helen Zee Yee Ling, the spouse of Mr. Cheong Pin Chuan, Patrick.

(b) no subsidiary of the Company, nor any pension fund of the Company or any of its subsidiaries, nor any adviser to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code had dealt for value in any shareholdings in the Company;

(c) no person who had an arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company or with any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code has dealt for value in any shareholdings in the Company; and

(d) no fund managers managing funds on a discretionary basis (other than exempt fund managers) which are connected with the Company had dealt for value in any shareholdings in the Company.

5. DEALINGS IN SECURITIES OF THE OFFEROR

During the Relevant Period,

(a) the Company did not deal for value in any shareholdings in the Offeror; and

(b) no Director had dealt for value in any shareholdings in the Offeror.

6. OTHER DISCLOSURE OF INTERESTS

As at the Latest Practicable Date,

(a) no Shares or any convertible securities, warrants, options or derivatives issued by the Company was owned or controlled by a subsidiary of the Company or by a pension fund (if any) of any member of the Group or by an adviser to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code;

(b) no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between a person who owned or controlled Shares or any convertible securities, warrants, options or derivatives issued by the Company and the Company or any person who is an associate of the Company by virtue of classes (1), (2), (3) and (4) of the definition of "associate" under the Takeovers Code;

(c) no Shares, convertible securities, warrants, options or derivatives of the Company was managed on a discretionary basis by any fund managers connected with the Company;

(d) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offers;

(e) no agreement or arrangement between any Director and any other person was conditional on or dependent upon the outcome of the Offers or otherwise connected with the Offers;

(f) save for the Sale and Purchase Agreement, there was no material contracts entered into by the Offeror in which any Director had a material personal interest; and

(g) none of the Company or the Directors had borrowed or lent any Shares, convertible securities, warrants, options or derivatives in respect of any Shares.

7. SERVICE CONTRACTS

Name of Directors	Counterparty to the contract	Position	Commencement date of contract	Expiry date of contract	Fixed remuneration payable under contract	Variable remuneration payable under contract
Mr. Cheong Pin Chuan, Patrick	Winfoong International Limited	Executive Director	1 April 2012	31 March 2015	Nil	Discretionary bonus for each completed year of service as may be decided by the Board and on such date as the Board may resolve
			1 April 2015	31 March 2018	Nil	Discretionary bonus for each completed year of service as may be decided by the Board and on such date as the Board may resolve
Mr. Cheong Sim Eng	Winfoong International Limited	Executive Director	1 April 2012	31 March 2015	Nil	Discretionary bonus for each completed year of service as may be decided by the Board and on such date as the Board may resolve
			1 April 2015	31 March 2018	Nil	Discretionary bonus for each completed year of service as may be decided by the Board and on such date as the Board may resolve
Ms. Cheong Hooi Kheng	Winfoong International Limited	Executive Director	1 April 2012	31 March 2015	Nil	Discretionary bonus for each completed year of service as may be decided by the Board and on such date as the Board may resolve

Name of Directors	Counterparty to the contract	Position	Commencement date of contract	Expiry date of contract	Fixed remuneration payable under contract	Variable remuneration payable under contract
			1 April 2015	31 March 2018	Nil	Discretionary bonus for each completed year of service as may be decided by the Board and on such date as the Board may resolve
Ms. Cheong Hooi Kheng *(Note 1)*	Sui Chong International Resources Limited	Senior Manageress – Property Development	1 September 2014	31 August 2017	HK$1,175,850 per annum	Discretionary bonus as may be decided by the Board and on such date as the Board may resolve
Mr. Chan Yee Hoi, Robert	Winfoong International Limited	Independent non-executive Director	1 April 2012	31 March 2015	HK$130,000 per annum	Nil
			1 April 2015	31 March 2018	HK$150,000 per annum	Nil
Mr. Kwik Sam Aik	Winfoong International Limited	Independent non-executive Director	1 April 2012	31 March 2015	HK$130,000 per annum	Nil
			1 April 2015	31 March 2018	HK$150,000 per annum	Nil
Mr. Leung Wing Ning	Winfoong International Limited	Independent non-executive Director	1 April 2012	31 March 2015	HK$130,000 per annum	Nil
			1 April 2015	31 March 2018	HK$150,000 per annum	Nil

Note:

1. The service contract entered into between Ms. Cheong Hooi Kheng and Sui Chong International Resources Limited dated 1 September 2014 was terminated with effect from 1 November 2015.

Save as mentioned above, as at the Latest Practicable Date, none of the Directors had (a) entered into or amended any service contracts (including both continuous and fixed term contracts) with the Company or any of its subsidiaries or any of its associated companies within six months before the commencement of the Offer Period; (b) any continuous service contracts with the Company or any of its subsidiaries or associated companies with a notice period of twelve months or more; or (c) any fixed term service contracts with the Company or any of its subsidiaries or associated companies with more than twelve months to run irrespective of the notice period.

As at the Latest Practicable Date, each of the Directors above has executed resignation letters to resign from the above positions respectively at the earliest time permitted under the Takeovers Code. Such resignation will take effect from the date of the close of the Offer Period or such later date as required by the Takeovers Code.

8. LITIGATION

On 17 December 2010, a subsidiary of the Group sold a property to a buyer. The buyer alleged that the subsidiary made certain representations in the selling of the property. The buyer filed a claim on 5 January 2012 with the High Court in Hong Kong claiming the repayment of consideration of approximately HK$9.8 million paid in purchasing the property and rescission of the contract together with related costs, interests and damages. The subsidiary filed a defense on 26 April 2012 against the claim. The Directors are of the view that the buyer's claim is based on unreasonable and invalid grounds and therefore unfounded. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the Directors considered that no specific provision should be made in the financial statements.

An employee of the Group filed a claim on 6 August 2015 with the District Court in Hong Kong for the compensation to personal injury arising out of and in the course of employment. The case hearing will be held on 26 February 2016. In view of the inherent uncertainties of the legal proceedings, the outcome of which cannot be estimated reliably at this stage, the Board concluded that no specific provision should be made in the financial statements. On the other hand, the Group has an employees' compensation insurance policy in place, the limit of which is up to HK$100 million for any one accident, to cover the claim if necessary.

Save as mentioned above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

9. MATERIAL CONTRACT

No contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company) had been entered into by the Company or any of its subsidiaries within the two years immediately preceding the commencement of the Offer Period and up to and including the Latest Practicable Date which were, or might be, material.

10. EXPERTS' QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts who have given opinion and advice, which is contained in this Composite Document:

Name	Qualification
BOSC	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
DTZ Debenham Tie Leung Limited	independent property valuer

As at the Latest Practicable Date, each of the above experts did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the above experts has given and has not withdrawn their respective written consents to the issue of this Composite Document with the inclusion of their advices, reports and/or the references to their names in the form and context in which they appear.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) during normal business hours at the head office and principal place of business in Hong Kong of the Company at Room 3201, 9 Queen's Road Central, Hong Kong; (ii) on the SFC's website at http://www.sfc.hk; and (iii) the website of the Company at http://www.winfoong.com/, from the date of this Composite Document up to as long as the Offers remain open for acceptance:

(a) the Memorandum of Association and Bye-laws of the Company;

(b) the annual reports of the Company for each of the two years ended 31 December 2013 and 2014;

(c) the interim report of the Company for the six months ended 30 June 2015;

(d) the letter from the Board as set out in the section headed "Letter from the Board" in this Composite Document;

(e) the letter from the Independent Board Committee as set out in the section headed "Letter from the Independent Board Committee" in this Composite Document;

(f) the letter from the Independent Financial Adviser as set out in the section headed "Letter from the Independent Financial adviser" in this Composite Document;

(g) the property valuation report from DTZ Debenham Tie Leung Limited as set out in Appendix III of this Composite Document;

(h) the service contracts of the Directors referred to in the paragraph headed "7. SERVICE CONTRACTS" in this Appendix IV; and

(i) the written consents from the experts referred to in the paragraph headed "10. EXPERTS' QUALIFICATIONS AND CONSENTS" in this Appendix IV.

1. RESPONSIBILITY STATEMENT

The information contained in this Composite Document relating to the Offeror and its intention has been supplied by the Offeror. The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Group, the Vendors, the Guarantors and parties acting in concert with any one of them), and confirms, having made all reasonable enquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than the opinion expressed by the Group, the Vendors, the Guarantors and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement contained in this Composite Document misleading.

2. MARKET PRICES

The table below shows the closing price of the Shares quoted on the Stock Exchange on (i) the last day on which trading took place in each of the calendar months during the Relevant Period; (ii) the Last Trading Day; and (iii) the Latest Practicable Date.

Date	**Closing price per Share** *HK$*
2015	
31 March	0.400
30 April	0.740
29 May	0.920
30 June	1.180
31 July	1.000
31 August	0.475
17 September (Last Trading Day)	0.630
30 September	suspended
30 October	0.475
Latest Practicable Date	0.55

During the Relevant Period:

(i) the highest closing price of the Shares as quoted on the Stock Exchange was HK$1.18 per Share on 30 June 2015; and

(ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK$0.285 per Share on 23 March 2015.

3. DISCLOSURE OF INTERESTS

The Offeror is an investment holding company incorporated on 29 September 2009 in Hong Kong with limited liability. As at the Latest Practicable Date, the Offeror is wholly owned by Mr. Li who is also the sole director of the Offeror.

On 18 September 2015, the Offeror (as purchaser) entered into the Sale and Purchase Agreement with the Vendors and the Guarantors to acquire the Sale Shares from the Vendors for a total cash consideration of HK$598,022,970.06 (equivalent to approximately HK$0.3618 per Sale Share). The Sale Shares, being 1,652,910,365 Shares, represent approximately 62.61% of the existing issued ordinary share capital of the Company as at the date of the Sale and Purchase Agreement. Completion took place immediately upon the signing of the Sale and Purchase Agreement.

Save for the Sale Shares, none of the Offeror, its ultimate beneficial owner, nor parties acting in concert with any one of them owned or controlled any other interest in the Shares, options, warrants, derivatives or securities which are convertible into Shares as at the Latest Practicable Date.

4. SHAREHOLDINGS AND DEALINGS IN SECURITIES OF THE COMPANY

(a) Save for the purchase of the Sale Shares, none of the Offeror, its ultimate beneficial owner, nor parties acting in concert with any one of them has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible into Shares during the Relevant Period.

(b) As at the Latest Practicable Date, no arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between the Offeror or its associates or any party acting in concert with it and any other person.

(c) As at the Latest Practicable Date, no person had irrevocably committed himself to accept or not to accept the Offers.

(d) As at the Latest Practicable Date, no arrangement of any kind referred to in Note 8 to Rule 22 of the Takeovers Code existed between a person who owned or controlled Shares or convertible securities, warrants, options or derivatives of the Company and the Offeror or any party acting in concert with it during the Relevant Period.

(e) As at the Latest Practicable Date, neither the Offeror, its ultimate beneficial owner, nor any party acting in concert with any one of them had borrowed or lent any Shares or convertible securities, warrants, options or derivatives of the Company.

(f) As at the Latest Practicable Date, no Shares, convertible securities, warrants, options or derivatives of the Company was managed on a discretionary basis by any fund managers connected with the Offeror or any party acting in concert with it, and no such person had dealt in any Shares or convertible securities, warrants, options or derivatives of the Company during the Relevant Period.

5. OTHER ARRANGEMENTS IN RELATION TO THE OFFERS

As at the Latest Practicable Date:

(a) save for the Sale and Purchase Agreement, there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror and parties acting in concert with it and any Director, recent Director, Shareholder or recent Shareholder which had any connection with or dependent on the Offers;

(b) save for the Sale and Purchase Agreement, there was no material contracts had been entered into by the Offeror in which any Director has a material personal interest;

(c) there was no agreement or arrangement to which the Offeror and its concert party is a party which relates to circumstances in which it may or may not invoke or seek to invoke a precondition or a condition to the Offers;

(d) save for the charges of the Shares to be acquired pursuant to the Offers the payment for which is financed by the amount drawn under the Offer Facility as mentioned in the sub-section headed "Financial resources available to the Offeror" in the section headed "Letter from Get Nice Securities", there was no agreement, arrangement or understanding that the securities acquired in pursuance of the Offers would be transferred, charged or pledged to any other persons. Get Nice Securities does not have any interest in the Shares or other securities of the Company carrying voting rights or convertible securities, warrants, options or derivatives of the Company;

(e) no benefit had been or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offers; and

(f) there were no arrangements (whether by way of option, indemnity or otherwise) in relation to the Shares (or other relevant securities of the Company) or the shares of the Offeror (or other relevant securities of the Offeror) which might be material to the Offers.

6. EXPERTS' QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts who have given opinion and advice, which is contained in this Composite Document:

Name	Qualification
Get Nice Securities	a licensed corporation to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities as defined under the SFO
Veda Capital	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity as defined under the SFO

As at the Latest Practicable Date, each of the above experts did not have any shareholding, direct or indirect, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any direct or indirect interest in any assets which had been, since 31 December 2014, being the date to which the latest published audited consolidated financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

Each of the above experts has given and has not withdrawn their respective written consents to the issue of this Composite Document with the inclusion of their advices, reports and/or the references to their names in the form and context in which they appear.

7. MISCELLANEOUS

As at the Latest Practicable Date:

(i) The principal members of the Offeror's concert Group are the Offeror and Mr. Li.

(ii) The address of Mr. Li is Unit 3606-7, AIA Tower, 183 Electric Road, North Point, Hong Kong.

(iii) The registered office of the Offeror is situated at Unit 3606-7, AIA Tower, 183 Electric Road, North Point, Hong Kong.

(iv) The registered office of Get Nice Securities is situated at 10/F, COSCO Tower, Grand Millennium Plaza, 183 Queen's Road Central, Hong Kong.

(v) The registered office of Veda Capital is situated at Suite 3711, 37/F, Tower II, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong.

(vi) The English text of this Composite Document shall prevail over the Chinese text in the case of inconsistency.

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection (i) during normal business hours at the head office and principal place of business in Hong Kong of the Company at Room 3201, 9 Queen's Road Central, Hong Kong; (ii) on the SFC's website at http://www.sfc.hk; and (iii) the website of the Company at http://www.winfoong.com/, from the date of this Composite Document up to as long as the Offers remain open for acceptance:

(a) the Memorandum and Articles of Association of the Offeror;

(b) the letter from Get Nice Securities as set out in the section headed "Letter from Get Nice Securities" in this Composite Document; and

(c) the written consents from Get Nice Securities and Veda Capital respectively as referred to in the paragraph headed "6. EXPERTS' QUALIFICATIONS AND CONSENTS" in this Appendix V.