THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Cheong Ming Investments Limited, you should at once hand this Composite Offer Document and the accompanying Form of Acceptance to the purchaser(s) or transferee(s) or to the bank or 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 transferee(s).

Manureen Holdings Limited

(Incorporated in the British Virgin Islands with limited liability)

CHEONG MING INVESTMENTS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 1196)

COMPOSITE OFFER DOCUMENT IN RELATION TO MANDATORY UNCONDITIONAL CASH OFFER BY EMPEROR CAPITAL LIMITED ON BEHALF OF MANUREEN HOLDINGS LIMITED FOR ALL THE ISSUED SHARES IN CHEONG MING INVESTMENTS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY MANUREEN HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

Financial adviser to Manureen Holdings Limited

英皇融資有限公司
Emperor Capital Limited

Financial adviser to Cheong Ming Investments Limited

OPTIMA CAPITAL
Optima Capital Limited

Independent financial adviser to the Independent Board Committee of Cheong Ming Investments Limited

VEDA | CAPITAL
智略資本

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

A letter from Emperor Capital is set out on pages 7 to 15 of this Composite Offer Document.

A letter from the Board is set out on pages 16 to 20 of this Composite Offer Document.

A letter from the Independent Board Committee containing its recommendation in respect of the Offer to the Independent Shareholders is set out on page 21 of this Composite Offer Document.

A letter from Veda containing its advice on the Offer to the Independent Board Committee is set out on pages 22 to 39 of this Composite Offer Document.

The procedures for acceptance of the Offer and other related information are set out on pages I-1 to I-6 in Appendix I to this Composite Offer Document and in the accompanying Form of Acceptance. Acceptances of the Offer should be received by the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Friday, 18 July 2014 or such later time and/or date as the Offeror may decide and announce, with the consent of the Executive, in accordance with the Takeovers Code.

27 June 2014

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EXPECTED TIMETABLE

The expected timetable set out below is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

	2014
Despatch date of this Composite Offer Document and commencement date of the Offer *(Note 1)*	Friday, 27 June
Closing Date *(Note 2)*	Friday, 18 July
Latest time and date for acceptance of the Offer *(Note 2)*	4:00 p.m. on Friday, 18 July
Announcement of the results of the Offer *(Note 2)*	no later than 7:00 p.m. on Friday, 18 July
Latest date of posting of remittances in respect of valid acceptances received under the Offer *(Note 3)*	Tuesday, 29 July

Notes:

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

2. The Offer, which is unconditional, will be closed on the Closing Date. The latest time for acceptance is at 4:00 p.m. on Friday, 18 July 2014 unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued on the website of the Stock Exchange by 7:00 p.m. on Friday, 18 July 2014 stating whether the Offer has been revised or extended or has expired. In the event that the Offeror decides that the Offer will remain open until further notice, a notice by way of an announcement will be given not less than 14 days before the Offer is closed to those Shareholders who have not accepted the Offer.

3. Remittances in respect of the cash consideration payable for the Shares tendered under the Offer will be made as soon as possible, but in any event within seven (7) Business Days following the date of receipt by the Registrar from the Shareholders accepting the Offer of all documents to render the acceptance valid in accordance with the Takeovers Code.

4. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances as set out in the section headed "Right of withdrawal" in Appendix I to this Composite Offer Document.

All times and dates in this Composite Offer Document and the Form of Acceptance shall refer to Hong Kong times and dates.

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

"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"Asset Reorganisation"	the reorganisation of the assets of the Group involving the disposal of the Brilliant Stage Shares to Harmony Link pursuant to the Asset Reorganisation Agreement
"Asset Reorganisation Agreement"	the conditional agreement dated 27 February 2014 entered into between the Company and Harmony Link in relation to the Asset Reorganisation
"Asset Reorganisation Completion"	completion of the Asset Reorganisation pursuant to the Asset Reorganisation Agreement
"Board"	the board of Directors
"Brilliant Stage"	Brilliant Stage Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company before the Asset Reorganisation Completion
"Brilliant Stage Shares"	such number of shares as representing the entire issued share capital of Brilliant Stage as at the date of the Asset Reorganisation Completion
"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 established and operated by Hong Kong Securities Clearing Company Limited
"Closing Date"	18 July 2014, the closing date of the Offer, which is 21 days after the date on which this Composite Offer Document is posted, or if the Offer is extended, any subsequent closing date of the Offer as extended and announced by the Offeror in accordance with the Takeovers Code
"Company"	Cheong Ming Investments Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1196)

"Composite Offer Document"	this composite offer and response document jointly issued by the Offeror and the Company, which sets out among others, details of the Offer in accordance with the Takeovers Code
"Director(s)"	the director(s) of the Company
"Disposal Circular"	the circular of the Company dated 26 May 2014 in relation to, among other things, the Asset Reorganisation and the transactions contemplated thereunder
"Emperor Capital"	Emperor Capital Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities, and the financial adviser to the Offeror
"Emperor Securities"	Emperor Securities Limited, a corporation licensed under the SFO to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities
"Emperor Securities Facility"	a loan facility in the sum of HK$150 million granted by Emperor Securities in favour of the Offeror, which is secured by the personal guarantee provided by Mr. Lin and the charge of Shares owned by or to be owned by the Offeror in favour of Emperor Securities
"Encumbrances"	any pledge, charge, lien (otherwise than arising by statute or operation of law), option, other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale and purchase, sale-and-leaseback arrangement over or in any property, assets or rights of whatsoever nature or interest or any agreement for any of the same
"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
"Form of Acceptance"	the accompanying form of acceptance in respect of the Offer
"Fullpower"	Fullpower Investment Holdings Corp., a company incorporated in the BVI with limited liability which is wholly owned by Mr. Wong Sin Hua, Felix
"Fullpower Loan"	the loan with a principal amount of HK$40 million owed by Fullpower to Peace Broad pursuant to the Fullpower Loan Agreement

"Fullpower Loan Agreement"	the loan agreement dated 26 April 2013 entered into between Peace Broad as lender and Fullpower as borrower in respect of the Fullpower Loan
"Group"	the Company and its subsidiaries
"Harmony Link"	Harmony Link Corporation, a company incorporated in the BVI and the controlling Shareholder as at the date of the Share Sale Agreement
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	the independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of the Offer and as to acceptance of the Offer
"Independent Shareholder(s)"	Shareholder(s) other than the Offeror, Mr. Lin, Madam Su, any parties acting in concert with any of them, Fullpower and those who are interested in or involved in the Offer
"Initial Announcement"	the announcement dated 16 January 2014 issued by the Company in relation to, among other things, possible disposal of the entire shareholding in the Company held by Harmony Link
"Joint Announcement"	the joint announcement issued by the Company and the Offeror dated 3 April 2014 in relation to, among other things, the Asset Reorganisation, the Share Sale and the Offer
"Last Trading Day"	24 February 2014, being the last trading day of the Shares immediately prior to the suspension in trading on the Stock Exchange pending the release of the Joint Announcement
"Latest Practicable Date"	25 June 2014, being the latest practicable date prior to the printing of this Composite Offer Document for ascertaining certain information contained herein
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Madam Ng"	Madam Ng Shuk Fong, Aman, spouse of Mr. Victor Lui
"Madam Su"	Madam Su Jiaohua, spouse of Mr. Lin and a director of the Offeror

"Mr. Brian Lui"	Mr. Lui Shing Ming, Brian, an executive Director and the Chairman of the Company
"Mr. Lin"	Mr. Lin Xiaohui, spouse of Madam Su and a director of the Offeror
"Mr. SC Lui"	Mr. Lui Shing Cheong, an executive Director and the Managing Director of the Company
"Mr. Victor Lui"	Mr. Lui Shing Chung, Victor, an executive Director
"Offer"	the mandatory unconditional cash offer made by Emperor Capital on behalf of the Offeror to acquire all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it)
"Offer Period"	has the meaning ascribed thereto in the Takeovers Code, being the period commencing on the date of the Initial Announcement and ending on the Closing Date
"Offer Price"	HK$0.70 per Offer Share
"Offer Share(s)"	Share(s) not already owned or agreed to be acquired by the Offeror or parties acting in concert with it
"Offeror"	Manureen Holdings Limited, a company incorporated in the BVI with limited liability, which is owned as to 70% by Mr. Lin and as to 30% by Madam Su
"Overseas Shareholder(s)"	Independent Shareholder(s) whose address(es) as shown on the register of members of the Company is (are) outside Hong Kong
"Peace Broad"	Peace Broad Holdings Limited, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company
"PRC"	the People's Republic of China which, for the purpose of this Composite Offer Document, shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Registrar"	Tricor Tengis Limited, the Hong Kong branch share registrar and transfer office of the Company
"Relevant Period"	the period commencing on the date falling six months preceding 16 January 2014, being the date of the Initial Announcement, and ending on the Latest Practicable Date

"Sale Shares"	an aggregate of 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the date of the Share Sale Agreement and the Latest Practicable Date, acquired by the Offeror from the Vendors and Madam Ng pursuant to the terms and conditions of the Share Sale Agreement
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Share Sale"	the sale of the Sale Shares by the Vendors and Madam Ng to the Offeror pursuant to the terms and conditions of the Share Sale Agreement
"Share Sale Agreement"	the conditional agreement dated 26 February 2014 (as supplemented on 31 March 2014) entered into between the Vendors and the Offeror in relation to the Share Sale
"Share Sale Completion"	completion of the Share Sale
"Shareholder(s)"	holder(s) of the Share(s)
"Special Distribution"	the special distribution of HK$0.50 per Share in cash to be made by the Company to the Shareholders
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers
"Veda"	Veda Capital Limited, a corporation licensed to carry out type 6 (advising on corporate finance) regulated activity under the SFO, who has been appointed as the independent financial adviser to the Independent Board Committee in respect of the Offer
"Vendors"	collectively, Harmony Link, Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"%"	per cent.

英皇融資有限公司
Emperor Capital Limited
28/F, Emperor Group Centre
288 Hennessy Road
Wanchai, Hong Kong

27 June 2014

To the Independent Shareholders

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CAPITAL LIMITED
ON BEHALF OF MANUREEN HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN CHEONG MING INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR
AGREED TO BE ACQUIRED
BY MANUREEN HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

The Vendors and the Offeror entered into the Share Sale Agreement on 26 February 2014 (as supplemented on 31 March 2014), pursuant to which the Vendors conditionally agreed to sell and procure Madam Ng to sell, and the Offeror conditionally agreed to purchase, the Sale Shares, being 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the date of the Share Sale Agreement.

The Share Sale Completion took place on Friday, 20 June 2014. Immediately following the Share Sale Completion, the Offeror became interested in 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

This letter sets out, among other things, the details of the Offer, information on the Offeror and the intention of the Offeror regarding the Group. The terms of the Offer and the procedures for acceptances are set out in this letter, Appendix I to this Composite Offer Document and the Form of Acceptance.

The Independent Shareholders are strongly advised to carefully consider the information contained in the "Letter from the Board", the "Letter from the Independent Board Committee" and the "Letter from Veda" as set out in this Composite Offer Document.

THE OFFER

Principal terms of the Offer

Emperor Capital, on behalf of the Offeror, hereby makes the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it), which is unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number or any other conditions and in compliance with the Takeovers Code, on the following basis:

For every Offer Share . . . . HK$0.70 in cash

As at the Latest Practicable Date, the Company had 635,353,119 Shares in issue. Save for the aforesaid issued Shares, the Company has no outstanding securities, options, warrants or derivatives which are convertible into or which confer rights to require the issue of Shares.

The Shares to be acquired under the Offer shall be fully paid and free from any liens, charges and Encumbrances and together with all rights and benefits attached and accrued thereto as at the date on which the Offer is made, including the rights to receive in full all dividends and distributions that may be declared, made or paid by the Company on or after the date on which the Offer is made (save for the Special Distribution).

Comparison of value

The Offer Price of HK$0.70 per Share is equivalent to the purchase price per Sale Share under the Share Sale Agreement and it represents:

(a) a discount of approximately 11.39% to the closing price of HK$0.79 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

(b) a discount of 46.15% to the closing price of HK$1.30 per Share as quoted on the Stock Exchange on the Last Trading Day;

(c) a discount of approximately 40.98% to the average closing price of approximately HK$1.186 per Share for the last five trading days immediately prior to and including the Last Trading Day;

(d) a discount of approximately 40.02% to the average closing price of approximately HK$1.167 per Share for the last 10 trading days immediately prior to and including the Last Trading Day;

(e) a discount of approximately 25.69% to the average closing price of approximately HK$0.942 per Share for the last 30 trading days immediately prior to and including the Last Trading Day;

(f) a premium of approximately 32.08% over the closing price of HK$0.53 per Share as quoted on the Stock Exchange on the last Business Day prior to the commencement of the Offer Period; and

(g) a discount of approximately 7.89% to the audited net asset value of the Group of approximately HK$0.76 per Share as at 31 March 2014, based on a total of 635,353,119 Shares in issue as at the Latest Practicable Date and the audited net assets value of the Group of approximately HK$485.8 million as set out in Appendix II to this Composite Offer Document.

Value of the Offer

As at the Latest Practicable Date, the Company had a total of 635,353,119 Shares in issue and the Offeror, Mr. Lin, Madam Su and parties acting in concert with any of them in aggregate owned 338,331,036 Shares. Based on the Offer Price of HK$0.70 per Share, the entire issued share capital of the Company is valued at approximately HK$445 million. Assuming the Offer is accepted in full, the Offer applies to 297,022,083 Shares, representing approximately 46.75% of the issued share capital of the Company, and the value of the Offer will amount to approximately HK$208 million.

Financial resources available to the Offeror

The consideration payable by the Offeror under the Offer will be financed by the Emperor Securities Facility and internal resources of the Offeror. The Offeror does not intend that the payment of interest on, repayment of or security for any liability (contingent or otherwise) will depend to any significant extent on the business of the Group.

Pursuant to the arrangement of the Emperor Securities Facility, amongst others, the Offeror has pledged all the Shares acquired pursuant to the Share Sale Agreement and Shares to be acquired under the Offer (if any), such arrangement will not result in a change of the voting rights of the Company. The collateralized Shares shall be released to the Offeror immediately upon full repayment of all the outstanding amounts of the relevant loan facility and the interest thereon.

Emperor Capital, being the financial adviser to the Offeror in relation to the Offer, is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptances of the Offer.

Payment

Payment (after deducting the accepting Shareholders' share of stamp duty) in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) Business Days following the date on which the duly completed acceptances of the Offer and the relevant documents of title of the Shares are received by the Offeror to render each such acceptance complete and valid in accordance with the Takeovers Code.

Save for payment of stamp duty as set out above, settlement of the amounts due to the accepting Independent Shareholders will be implemented in full without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be entitled against such Independent Shareholder.

Effects of accepting the Offer

By accepting the Offer, the relevant Shareholders will sell their Shares to the Offeror free from Encumbrances and with all rights attached to them as at the date of the Share Sale Completion, including the right to receive all dividends and distributions declared, made or paid on or after the date of the Share Sale Completion (save for the right to the Special Distribution). As the Company declared the Special Distribution before the Share Sale Completion to the Shareholders whose names appear on the register of members of the Company on 18 June 2014, which is before the Share Sale Completion, all Shareholders as at 18 June 2014 (including the Vendors and Madam Ng) were entitled to the Special Distribution. Accordingly, the Offeror is not be entitled to the Special Distribution in respect of the Sale Shares. The entitlement to the Special Distribution will not be affected by the Shareholders' decision as to whether or not to accept the Offer. The Special Distribution is expected to be paid on 4 July 2014.

The making of the Offer to a person with a registered address in a jurisdiction outside Hong Kong may be affected by the applicable laws of the relevant jurisdiction. The Shareholders with registered addresses in jurisdictions outside Hong Kong should inform themselves about and observe any applicable legal requirements in their own jurisdictions.

Stamp duty

In Hong Kong, seller's ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of: (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and will be deducted from the cash amount payable by the Offeror to the relevant Shareholders on behalf of the relevant Shareholders on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Overseas Shareholders

The making of the Offer to or the acceptance thereof by persons not being a resident of Hong Kong or with a registered address in jurisdictions outside Hong Kong may be affected by the laws of the relevant jurisdictions. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdictions). The Overseas Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties by whomsoever payable in respect of all relevant jurisdictions.

Acceptances of the Offer by any Overseas Shareholders will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws. The Overseas Shareholders are recommended to seek professional advice on deciding whether to accept the Offer.

Further terms of the Offer

Further terms of the Offer including, among other things, procedures for acceptance and settlement, the acceptance period and taxation matters are set out in Appendix I to this Composite Offer Document and in the Form of Acceptance.

Dealing and interests in the Company's securities

Save for the purchase of the Sale Shares, none of the Offeror, Mr. Lin and Madam Su and parties acting in concert with any of them had dealt in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company during the Relevant Period.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the "Letter from the Board" in this Composite Offer Document.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the BVI with limited liability and, save for entering into the Share Sale Agreement and entering into the financial arrangement with Emperor Securities in relation to the Share Sale Agreement and the Offer, the Offeror did not engage in any business activities. As at the Latest Practicable Date, the Offeror was owned as to 70% by Mr. Lin and as to 30% by Madam Su, and Mr. Lin and Madam Su are the directors of the Offeror.

Information in relation to Mr. Lin and Madam Su are set out in the paragraph below headed "Change of Board composition".

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Following the close of the Offer, the Offeror intends to continue the existing principal business of the Group, which comprises (i) commercial printing; and (ii) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags. The Offeror will, following the completion of the Offer, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may diversify the business of the Group with the objective of broadening its sources of income. However, as of the Latest Practicable Date, no such investment or business opportunities had been identified nor had the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Nor has the Offeror entered into any agreement, arrangements, understandings or negotiations in relation to the continued employment of the employees, disposal and/or re-deployment of the assets (including fixed assets) of the Group, or termination or scaling down of any of the Group's business. Nonetheless, the Offeror has no intention to re-deploy the fixed assets of the Group or to discontinue the employment of the Group's employees other than in the ordinary course of business.

CHANGE OF BOARD COMPOSITION

The Board currently comprises six Directors, including three executive Directors being Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui and three independent non-executive Directors being Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen. Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui intend to resign as executive Directors and Dr. Lam Chung Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen intend to resign as independent non-executive Directors with effect from the earliest time permitted under the Takeovers Code (which is the close of the Offer). Each of Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui will remain as directors of certain subsidiaries of the Group.

The Offeror at present intends to nominate Mr. Lin, Madam Su and Mr. Lin Xiaodong as new executive Directors and Mr. Yu Leung Fai, Mr. Fang Jixin and Ms. Li Jue as new independent non-executive Directors which will only be effective not earlier than the despatch date of this Composite Offer Document in accordance with the Takeovers Code. A further announcement will be made on any further proposed change of the composition of the Board. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

Biographies of new Directors nominated by the Offeror

Executive Directors

Mr. Lin, aged 41, obtained a diploma in business administration from the Society of Business Practitioners in December 2013. Since 2005, Mr. Lin has held management positions in a number of private companies in which he has shareholding interests, and these companies are mainly engaged in real estates, electronics, logistics and financial investment in Shenzhen. Mr. Lin is a member of the Committee of Shenzhen City of the Chinese People's Political Consultative Conference and a member of the Committee of Futian District, Shenzhen City of the Chinese People's Political Consultative Conference. Mr. Lin is the spouse of Madam Su.

Madam Su, aged 42, obtained an advanced diploma in business studies from Ashford College of Management & Technology Singapore in September 2012. Since 2005, Madam Su has held management positions in a number of private companies which she has shareholding interests, and these companies are mainly engaged in real estates, electronics, logistics and financial investment in Shenzhen. Madam Su has also served as a member of the People's Congress of Futian District, Shenzhen City since April 2012. Madam Su is the spouse of Mr. Lin.

Mr. Lin Xiaodong, aged 31, obtained a Bachelor degree in Commerce and Administration in Commercial Law and International Business from the Victoria University of Wellington, New Zealand in 2007. He has worked in the Branch Office of Shenzhen Municipal Office of the State Administration of Taxation* (深圳市國家稅務局直屬分局) from 2007 to 2009. He has undertaken various managerial roles in a company owned by Mr. Lin and Madam Su since 2009 and is currently a deputy general manager. Mr. Lin Xiaodong is the brother of Mr. Lin.

Independent non-executive Directors

Mr. Yu Leung Fai, aged 37, has extensive experience in the corporate services field. Mr. Yu has joined the corporate and PRC services of Fung, Yu & Co. CPA Limited since 2001 and is currently the principal of the division. He holds a degree of Bachelor of Commerce (Hon.) from the University of Toronto and a degree of Bachelor of Laws from the University of London, and is a member of the American Institute of Certified Public Accountants, CPA Australia and the Hong Kong Institute of Certified Public Accountants.

Mr. Yu has also been the company secretary of Haichang Holdings Ltd. (stock code: 2255) since March 2014; the joint company secretary and authorized representative of China National Materials Company Limited (stock code: 1893) since May 2009; the company secretary and alternative authorized representative of Beijing Media Corporation Limited (stock code: 1000) since March 2010; the company secretary and authorized representative of Yuanda China Holdings Limited (stock code: 2789) since June 2012; the company secretary and authorized representative of Vale S.A. (stock code: 6210 for Common Depositary Receipts and 6230 for Class A Preferred Depositary Receipts) since 2010, all of which are listed companies in Hong Kong.

Mr. Fang Jixin, aged 32, holds a Master degree in Civil and Commercial Law from Wuhan University. Mr. Fang was a legal assistant and a solicitor in Shu Jin Law Firm from 2005 to 2008 and in the compliance and management division of China International Capital Corporation Limited from 2008 to 2012. He has joined Shenzhen City Zhidongli Precise Technology Company Limited* (深圳市智動力精密技術股份有限公司) since 2012 and is currently the deputy general manager and secretary to the board of directors (董事會秘書).

* *for identification only*

Ms. Li Jue, aged 38, graduated in Jilin University School of Law, obtained a Bachelor degree in Laws in 1997, a Master degree in Civil and Commercial Law in 2001 and a Doctorate degree in Civil and Commercial Law in 2013. In 2014, Ms. Li joined the post-doctoral research station jointly established by the Center for Assessment and Development of Real Estate, Shenzhen* (深圳市房地產評估發展中心) and the Harbin Institute of Technology, PRC, and engaged in researches relating to the real estate industry. Ms. Li was employed by the Bank of China (Shenzhen Branch) from 2001 to 2003.

Save as disclosed above, the Offeror does not intend to implement any material changes to the existing management of the Group following the close of the Offer.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any power of compulsory acquisition of any Shares after the close of the Offer.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Stock Exchange has stated that if, at the close of the Offer, 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 dealings in the Shares.

The Stock Exchange will also closely monitor all acquisitions or disposals of assets by the Company. Under the Listing Rules, the Stock Exchange has the power pursuant to the Listing Rules to aggregate a series of transactions entered into by the Company within 24 months after a change in control and any such transactions may result in the Company being treated as if it were a new listing applicant and subject to the requirement for new applicants as set out in the Listing Rules.

TAX IMPLICATIONS

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the tax implications that may arise from accepting the Offer. It is emphasised that the Offeror, its beneficial owners and parties acting in concert with any of them, the Company, Emperor Capital, Emperor Securities, Veda, the Registrar or the company secretary of the Company or any of their respective directors or professional advisers or any other parties involved in the Offer or any of their respective agents do not accept any responsibility for any tax effect on, or liabilities of, the Independent Shareholders as a result of their acceptance of the Offer.

* *for identification only*

ACCEPTANCE AND SETTLEMENT

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

GENERAL

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold the Shares as nominee for more than one beneficial owner should, as far as practicable, treat the holding of each beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

Attention of the Overseas Shareholders is drawn to the paragraph headed "Overseas Shareholders" above in this letter.

All documents and remittances to be sent to the Independent Shareholders will be sent to them by ordinary post at their own risk. Such documents and remittances will be sent to the Independent Shareholders at their respective addresses as they appear in the register of members of the Company or in the case of joint Independent Shareholders, to such Independent Shareholder whose name appears first in the register of members of the Company. The Offeror, its beneficial owners and parties acting in concert with any of them, the Company, Emperor Capital, Emperor Securities, Veda, the Registrar or the company secretary of the Company or any of their respective directors or professional advisers or any other parties involved in the Offer will not be responsible for any loss or delay in transmission or any other liabilities that may arise as a result thereof or in connection therewith.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Composite Offer Document which form part of this Composite Offer Document. You are reminded to carefully read the "Letter from the Board", the advice of the Independent Board Committee, the recommendation of Veda and other information about the Group which are set out in this Composite Offer Document before deciding whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
Emperor Capital Limited
Louisa Choi
Director

CHEONG MING INVESTMENTS LIMITED
昌明投資有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 1196)

Executive Directors:
Mr. Lui Shing Ming, Brian *(Chairman)*
Mr. Lui Shing Cheong *(Managing Director)*
Mr. Lui Shing Chung, Victor

Independent non-executive Directors:
Dr. Lam Chun Kong
Mr. Lo Wing Man
Dr. Ng Lai Man, Carmen

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

Head office and principal place of business in Hong Kong:
Unit 1102, 11/F
Nexxus Building
41 Connaught Road Central
Hong Kong

27 June 2014

To the Independent Shareholders

Dear Sir or Madam,

MANDATORY UNCONDITIONAL CASH OFFER BY EMPEROR CAPITAL LIMITED ON BEHALF OF MANUREEN HOLDINGS LIMITED FOR ALL THE ISSUED SHARES IN CHEONG MING INVESTMENTS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY MANUREEN HOLDINGS LIMITED AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

The Company and the Offeror jointly announced on 3 April 2014, among other things, that the Vendors and the Offeror entered into the Share Sale Agreement on 26 February 2014 (as supplemented on 31 March 2014), pursuant to which the Vendors conditionally agreed to sell and procure Madam Ng to sell, and the Offeror conditionally agreed to purchase, the Sale Shares, being 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the date of the

Share Sale Agreement and the Latest Practicable Date, free from all Encumbrances and together with all rights attaching thereto with effect from the Share Sale Completion, including all rights to any dividend or other distribution declared (excluding the right to the Special Distribution which was declared before Share Sale Completion), made or paid on or after the date of Share Sale Completion. The Share Sale Completion is conditional upon, among other things, the Asset Reorganisation Agreement having been duly executed and becoming unconditional in all respects (save for the condition that the Share Sale Completion having taken place).

The Asset Reorganisation Completion and the Share Sale Completion took place on Friday, 20 June 2014. Immediately following the Asset Reorganisation Completion and the Share Sale Completion, the Offeror became interested in 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

The purpose of this Composite Offer Document is to provide you with, among other things, (i) information relating to the Offer and the Group; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from Veda to the Independent Board Committee in relation to the Offer.

THE OFFER

The terms of the Offer summarised below are set out in detail in the letter from Emperor Capital contained in this Composite Offer Document and Appendix I to this Composite Offer Document as well as the Form of Acceptance. You are recommended to refer to them for further details.

Principal terms of the Offer

According to its letter contained in this Composite Offer Document, Emperor Capital, on behalf of the Offeror, is making the Offer in compliance with the Takeovers Code on the following basis:

For every Offer Share . . . . HK$0.70 in cash

The Offer Price of HK$0.70 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror under the Share Sale Agreement.

Effects of accepting the Offer

By accepting the Offer, the relevant Shareholders will sell their Shares to the Offeror free from Encumbrances and with all rights attached to them as at the date of the Share Sale Completion, including the right to receive all dividends and distributions declared, made or paid on or after the date of the Share Sale Completion (save for the Special Distribution). The entitlement to the Special Distribution will not be affected by the Shareholders' decision as to whether or not to accept the Offer.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company immediately before the Share Sale Completion and immediately upon the Share Sale Completion:

	Immediately before the Share Sale Completion		**Immediately upon the Share Sale Completion**	
	Number of Shares	*Approximate %*	*Number of Shares*	*Approximate %*
The Offeror and its concert parties	–	–	338,331,036	53.25
Harmony Link *(Note 1)*	323,487,286	50.91	–	–
Mr. Brian Lui *(Note 2)*	5,468,750	0.86	–	–
Mr. SC Lui *(Note 3)*	3,906,250	0.61	–	–
Mr. Victor Lui *(Note 4)*	3,906,250	0.61	–	–
Madam Ng *(Note 5)*	1,562,500	0.26	–	–
Sub-total	**338,331,036**	**53.25**	**338,331,036**	**53.25**
Public Shareholders	297,022,083	46.75	297,022,083	46.75
Total	**635,353,119**	**100.00**	**635,353,119**	**100.00**

Notes:

(1) Approximately 48.4% of the issued share capital of Harmony Link is held by The Lui Family Company Limited as trustee of The Lui Unit Trust. All units (except for one unit which is owned by Mr. Brian Lui) of The Lui Unit Trust are held by Trident Trust Company (B.V.I.) Limited as trustee of a discretionary trust, the discretionary objects of which include Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui. In addition, Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui further own approximately 24.13%, 12.88% and 14.59% of the issued share capital of Harmony Link respectively.

(2) Mr. Brian Lui is an executive Director and the Chairman of the Company.

(3) Mr. SC Lui is an executive Director and the Managing Director of the Company.

(4) Mr. Victor Lui is an executive Director.

(5) Madam Ng is the spouse of Mr. Victor Lui.

INFORMATION ON THE GROUP

The Company was incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange since 20 January 1997. Upon the Asset Reorganisation Completion, the Group is principally engaged in (i) commercial printing; and (ii) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags.

As disclosed in the annual results announcement of the Company dated 19 June 2014 for the year ended 31 March 2014, the Group recorded audited profit for the year attributable to the equity holders of the Company of approximately HK$17.8 million for the year ended 31 March 2013 and audited loss for the year attributable to the equity holders of the Company of approximately HK$12.4 million for the year ended 31 March 2014. The audited net asset value of the Group was approximately HK$485.8 million as at 31 March 2014.

INFORMATION ON THE OFFEROR AND ITS INTENTION REGARDING THE GROUP

Your attention is drawn to the letter from Emperor Capital in this Composite Offer Document for the information on the Offeror and its intention regarding the Group. In particular, as stated in the letter from Emperor Capital, the Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

The Stock Exchange has stated that if, at the close of the Offer, 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 dealings in the Shares.

The Board is also aware of the Offeror's intention in relation to the Group and its employees, and is willing to render co-operation with the Offeror and would continue to act in the best interests of the Group and the Shareholders as a whole.

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen, has been constituted to give recommendation to the Independent Shareholders in relation to the Offer. Veda has been appointed by the Company after approval by the Independent Board Committee as the independent financial adviser to advise the Independent Board Committee in respect of the Offer and in particular as to whether the Offer is, or is not, fair and reasonable and as to its acceptance.

Your attention is drawn to the letter of recommendation from the Independent Board Committee set out on page 21 of this Composite Offer Document and the letter of advice from Veda set out on pages 22 to 39 of this Composite Offer Document, which contains, among other things, its advice to the Independent Board Committee in relation to the Offer and the principal factors considered by it in arriving at its recommendation.

ADDITIONAL INFORMATION

Your attention is drawn to the letter from Emperor Capital set out in this Composite Offer Document, Appendix I to this Composite Offer Document and the accompanying Form of Acceptance which contain further details of the Offer and the procedures for acceptance of the Offer.

Your attention is also drawn to the additional information set out in the appendices to this Composite Offer Document.

Yours faithfully,
For and on behalf of the Board
Cheong Ming Investments Limited
Lui Shing Ming, Brian
Chairman

CHEONG MING INVESTMENTS LIMITED
昌明投資有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 1196)

27 June 2014

To the Independent Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CAPITAL LIMITED
ON BEHALF OF
MANUREEN HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN
CHEONG MING INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY
MANUREEN HOLDINGS LIMITED
AND PARTIES ACTING IN CONCERT WITH IT)**

We refer to the Composite Offer Document dated 27 June 2014 jointly issued by the Company and the Offeror, of which this letter forms part. Terms defined in the Composite Offer Document shall bear the same meanings when used herein unless the context requires otherwise.

We have been appointed to constitute the Independent Board Committee to consider the terms of the Offer and to advise you as to whether, in our opinion, the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and as to its acceptance. Veda has been appointed as the independent financial adviser to advise us in this respect. Details of its advice and the principal factors and reasons taken into consideration in arriving at its advice are set out in the letter from Veda set out on pages 22 to 39 of the Composite Offer Document.

We also wish to draw your attention to the letter from the Board, the letter from Emperor Capital and the additional information set out in the appendices to the Composite Offer Document.

Taking into account the terms of the Offer and the independent advice from Veda, we consider that the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer. Independent Shareholders are recommended to read the full text of the letter from Veda set out in the Composite Offer Document.

Yours faithfully
For and on behalf of
Independent Board Committee

Dr. Lam Chun Kong	**Mr. Lo Wing Man**	**Dr. Ng Lai Man, Carmen**
Independent non-executive Director	*Independent non-executive Director*	*Independent non-executive Director*

The following is the full text of a letter of advice from the independent financial adviser to the Independent Board Committee in relation to the Offer, which has been prepared for the purpose of inclusion in this Composite Offer Document.

VEDA | CAPITAL
智略資本

Veda Capital Limited
Suite 3711, 37/F.,
Tower Two, Times Square,
1 Matheson Street, Causeway Bay,
Hong Kong

27 June 2014

To the Independent Board Committee of
Cheong Ming Investments Limited

Dear Sirs,

**MANDATORY UNCONDITIONAL CASH OFFER BY
EMPEROR CAPITAL LIMITED
ON BEHALF OF
MANUREEN HOLDINGS LIMITED
FOR ALL THE ISSUED SHARES IN
CHEONG MING INVESTMENTS LIMITED
(OTHER THAN THOSE ALREADY OWNED
OR AGREED TO BE ACQUIRED
BY MANUREEN HOLDINGS LIMITED AND
PARTIES ACTING IN CONCERT WITH IT)**

INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee in relation to the Offer, details of which are set out in the Letter from Emperor Capital and the Letter from the Board contained in the Composite Offer Document dated 27 June 2014 to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Composite Offer Document unless the context requires otherwise.

The Vendors and the Offeror entered into the Share Sale Agreement on 26 February 2014 (as supplemented on 31 March 2014), pursuant to which the Vendors conditionally agreed to sell and procure Madam Ng to sell, and the Offeror conditionally agreed to purchase, the Sale Shares, being 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the date of the Share Sale Agreement.

The Share Sale Completion took place on Friday, 20 June 2014. Immediately following the Share Sale Completion, the Offeror became interested in 338,331,036 Shares, representing approximately 53.25% of the entire issued share capital of the Company as at the Latest Practicable Date. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it).

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the terms of the Offer. We have been appointed by the Company as the independent financial adviser to advise the Independent Board Committee in respect of the Offer and such appointment has been approved by the Independent Board Committee.

BASIS OF OUR ADVICE

In formulating our opinion and recommendation, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Composite Offer Document and provided to us by the Company, the Directors and the management of the Company. We have assumed that all information, representations and opinions contained or referred to in the Composite Offer Document, which have been provided by the Company, the Directors and the management of the Company and for which they are solely and wholly responsible, were true and accurate at the time when they were made and continue to be true up to the Latest Practicable Date and should there be any material changes after the Latest Practicable Date, Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion and intention made by the Directors and the Offeror in the Composite Offer Document were reasonably made after due enquiries and considerations. We have no reasons to doubt that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We consider that we have reviewed sufficient information to enable us to reach an informed view and to justify reliance on the accuracy of the information contained in the Composite Offer Document to provide a reasonable basis for our opinion and recommendation. Having made all reasonable enquiries, the Directors have confirmed that, to the best of their knowledge, there are no other facts or representations the omission of which would make any statement in the Composite Offer Document, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Company, the Directors and the management of the Company, nor have we conducted an independent investigation into the business and affairs, financial condition and future prospects of the Company and/or the Offeror.

In formulating our opinion, we have not considered the taxation implications on the Shareholders arising from acceptances or non-acceptances of the Offer as these are particular to their individual circumstances. It is emphasized that we will not accept responsibility for any tax effect on or liability of any person resulting from his or her acceptance or non-acceptance of the Offer. In particular, the Shareholders who are overseas residents or are subject to overseas taxation or Hong Kong taxation on securities dealings should consult their own tax positions, and if in any doubt, should consult their own professional advisers.

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

PRINCIPAL FACTORS AND REASONS CONSIDERED

In assessing the Offer and in giving our recommendation to the Independent Board Committee, we have taken into account the following principal factors and reasons:

Historical financial performance and prospects of the Group

The Company was incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange since 20 January 1997. Upon the Asset Reorganisation Completion, the Group (equivalent to the remaining Group before the Asset Reorganisation Completion) is principally engaged in (i) commercial printing; and (ii) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags.

(i) For the year ended 31 March 2014

As disclosed in the annual results announcement of the Company for the financial year ended 31 March 2014 dated 19 June 2014 ("**2014 Annual Results Announcement**"), the Group's revenue from manufacture and distribution of hangtags, labels, shirt paper boards and plastic bags decreased by approximately 34.5% to approximately HK$14.7 million for the financial year ended 31 March 2014 as compared to that of last year of approximately HK$22.4 million. As advised by the Company, due to the continuous economic set back in the European Region, the revenue decreased as a result of the reduction in sales orders placed by customers. Although the turnover decreased by approximately 34.5%, through stringent cost control measures, the segment recorded profit of approximately HK$0.6 million for the financial year ended 31 March 2014 as compared to loss of approximately HK$0.7 million last year.

The Group's commercial printing business was improved by the increase in turnover resulting from the increase in new customers demanded for financial printing services of IPO transactions. The revenue generated in this segment increased by approximately 9.7% to approximately HK$65.4 million for the financial year ended 31 March 2014 from approximately HK$59.6 million last year. The profit from this segment increased from approximately HK$0.9 million last year to approximately HK$2.6 million for the financial year ended 31 March 2014.

(ii) For the year ended 31 March 2013

As noted from Appendix I in the Disposal Circular, for the year ended 31 March 2013, the principal activities of the remaining Group were (i) commercial printing; and (ii) manufacture and sale of hangtags, labels, shirt paper boards and plastic bags.

For the year ended 31 March 2013, it was full of challenges and volatilities. The remaining Group recorded total revenue of approximately HK$82.0 million, which represented a decrease of about 6.7% to that for the year ended 31 March 2012 of approximately HK$87.9 million. Gross profit margin of the remaining Group has remained at approximately 56.8% for the year ended 31 March 2013.

The remaining Group recorded a profit attributable to equity holders of approximately HK$8.2 million for the year as compared with a loss attributable to equity holders of approximately HK$8.4 million for the year ended 31 March 2012, excluding the effect of dividend receivable from Brilliant Stage and its subsidiaries (the "**Brilliant Stage Group**") of approximately HK$10 million for the year ended 31 March 2013 (2012: NIL) in order to present the financial performance of the operations of the remaining Group. The profit mainly resulted from the revaluation surplus on investment properties of approximately HK$7.6 million resulted from the booming property market (2012: HK$2.4 million).

The remaining Group's revenue from manufacture and distribution of hangtags, labels, shirt paper boards and plastic bags decreased by 10.8% to approximately HK$22.4 million for the year ended 31 March 2013 as compared to that for the year ended 31 March 2012 of approximately HK$25.1 million. The loss from this segment decreased to approximately HK$0.7 million as compared to approximately HK$1.0 million for the year ended 31 March 2012. As advised by the Company, the decrease in revenue was due to the reduction in sales orders placed by the customers which was influenced by the economy setback within the European Region.

The remaining Group's commercial printing business was deteriorated by the decrease in turnover resulting from the volatile financial markets, which resulted in lesser corporate actions undertaken by the remaining Group's customers which are mainly listed companies and therefore reduced the demand of circulars, prospectuses and related disclosure documents. The revenue generated in this segment decreased by approximately 5.1% to approximately HK$59.6 million from HK$62.8 million for the year ended 31 March 2012. The profit from this segment decreased from approximately HK$4.3 million for the year ended 31 March 2012 to approximately HK$0.9 million for the year ended 31 March 2013

(iii) For the year ended 31 March 2012

As further noted from Appendix I in the Disposal Circular, the year ended 31 March 2012 remained a year of challenges and volatility for the remaining Group.

The remaining Group recorded total revenue of approximately HK$87.9 million, which represented a decrease of about 1.5% to that for the year ended 31 March 2011 of approximately HK$89.2 million. Gross profit margin of the remaining Group was approximately 56.8% for the year ended 31 March 2012, having improved when compared to approximately 51.3% for the year ended 31 March 2011. The remaining Group recorded a loss attributable to equity holders of approximately HK$8.4 million for the year as compared with a profit attributable to equity holders of approximately HK$9.4 million for the year ended 31 March 2011, excluding the effect of dividend receivable from Brilliant Stage Group. The loss was mainly resulted from the impairment loss arising from investment in an associated company engaging in the coalbed methane gas projects in Shaanxi and Shanxi of the People's Republic of China of approximately HK$16.0 million and which adversely affected the profitability of the remaining Group.

The remaining Group's revenue from manufacture and distribution of hangtags, labels, shirt paper boards and plastic bags decreased by approximately 18.8% to approximately HK$25.1 million for the year ended 31 March 2012 as compared to that for the year ended 31 March 2011 of approximately HK$30.9 million. The loss from this segment increased to approximately HK$1.0 million as compared to approximately HK$0.5 million for the year ended 31 March 2011.

The remaining Group's commercial printing business was slightly improved by the increase in turnover resulted from an enhancement of the customer base. The revenue generated in this segment increased from approximately HK$58.3 million to approximately HK$62.8 million while the profit from this segment slightly increased to approximately HK$4.3 million as compared to approximately HK$4.2 million for the year ended 31 March 2011.

(iv) Prospects and outlook

The commercial printing segment of the remaining Group mainly includes the provision of typesetting, translation, cover design or related services for the printing of financial information (including but not limited to annual reports, circulars, prospectuses) of companies listed or proposed to be listed in Hong Kong. In other words, (i) more companies pursues for initial public offering implies increasing needs for printing prospectuses and the subsequent needs in publishing announcements, circulars, quarterly, interim and annual reports; and (ii) more mergers and acquisitions transactions imply increasing needs for publishing announcements and circulars, which impose positive impacts on the business of the remaining Group.

As noted from the May 2014 monthly market highlights as obtained on the Hong Kong Exchanges and Clearing Limited website, there were 1,673 listed companies on the Stock Exchange as compared to 1,563 listed companies in May 2013, representing a 7.0% increase. The total market capitalisation of the listed companies in May 2014 was approximately HK$23,622.7 billion while the total market capitalisation in May 2013 was approximately HK$22,305.8 billion. According to the Global Financial Advisory Mergers & Acquisitions Rankings 2013 report conducted by Bloomberg L.P., a financial media company that provides business and financial information, news, and insights for customers around the world, there were 421 mergers & acquisitions transactions (involving publishing announcements and circulars), with the total transaction consideration of approximately US$28,366 million, undertook in Hong Kong in 2013 while there were only 349 transactions (involving publishing announcements and circulars) with a total of transaction amount of approximately US$17,346 million recorded in 2012. The number of deals transacted in 2013 represents a growth of approximately 20.63% compared to 2012.

As further announced by the Mr. Li Keqiang, the Premier of the State Council of the People's Republic of China, on 10 April 2014, that the approval in principle of mutual market access between the stock markets of Shanghai and Hong Kong was granted. The mutual market access between the two stock markets enables the investors in the PRC to participate in the Hong Kong stock market and motivates Hong Kong listed companies to undertake transactions/deals that require regulatory disclosures to the public.

As noted from the 2014 Annual Results Announcement, the remaining Group has been continuously marketing its services mainly through cold calls and road show presentations. Also, in order to market its one-stop financial printing services, the remaining Group has also provided ancillary printing support services to listed companies, including the design of corporate publications, document management, provision of virtual data room and electronic book for publication of corporate documents. In order to achieve sales growth, the remaining Group will continuously strengthen the business development team through recruitment of high calibre sales and marketing persons in business networking. At the same time, due to the seasonality of financial printing for listed companies, the remaining Group will also strive to enlarge its customer base to include clients other than listed companies, such as government authorities, non-profit making organisation and universities in Hong Kong through provision of printing service of marketing materials (e.g. brochures, pamphlets and any other marketing materials, etc).

In relation to the business of manufacture and sale of hangtags, labels, shirt paper boards and plastic bags and as disclosed in the 2014 Annual Results Announcement, this business segment has been adversely affected by the declining economy in European countries in recent years. The retail industries in European markets suffered from the financial crisis back in 2009 and the remaining Group has recorded a significant reduction in sales orders from its existing customers. According to International Monetary Fund World Economic Outlook Update in April 2014, the European area is turning the corner from recession to recovery, of which the growth is projected to strengthen to 1.7% in 2014 and 1.9% in 2015. The management of the remaining Group expects the retail industries in European markets will gradually recover and the sales of this segment can be improved in future years through its marketing strategies as described below.

Moreover, in order to achieve sales growth, the remaining Group will continuously strengthen its relationship with its existing customers and its business development team to widen its customer base. The remaining Group plans to expand its sales and marketing force and/or appoint marketing agency in its subsidiary in the United Kingdom to source sales orders from European markets. Apart from strengthening the relationship with original equipment manufacturing customers, the remaining Group will market its business directly to retailers, through overseas visits to customers' office, to achieve marketing efficiency. The management of the remaining Group intends to retain the existing employees of the remaining Group.

To manage the seasonality of the business of manufacture and sale of hangtags, labels, shirt paper boards and plastic bags, the remaining Group will seek an optimal manufacturing and labour capacity through sub-contracting to improve cost and production efficiency, and to support the potential sales recovery.

According to the 2013 Global Apparel Retail report published by MarketLine in February 2013, one of the most prolific publishers of business information in the market and is a brand owned by Informa (a company listed on London Stock Exchange which provides academics, businesses and individuals with knowledge, information, skills and services) and a company providing research reports on companies, industries and countries across the global market, the global apparel retail industry experienced a low level of fluctuating improvement for the period from 2008 to 2012. The global apparel retail industry recorded total revenues of approximately US$1,249.3 billion in 2012, representing a compound annual growth rate (CAGR) of approximately 2.8% between 2008 and 2012. In comparison, the European and Asia- Pacific industries increased with CAGRs of approximately 1.3% and approximately 3.5% respectively, to reach respective values of approximately US$429.7 billion and approximately US$338.1 billion in 2012. The global performance of the sector is expected to reach US$1,300.9 billion in 2013 and US$1,357.0 billion in 2014, representing a year-on-year growth of approximately 3.1%. The estimated growth of the global apparel retail industry is consistent with economic data highlighted in the International Monetary Fund World Economic Outlook Update in April 2014, where the European Region is expected to experience a real gross domestic product ("GDP") growth of 1.7% in 2014, an estimated real GDP growth of 5.4% in 2014 for the Asia Pacific Region (excluding the emerging and developing markets) and in particular, an estimated real GDP growth of 7.5% in 2014 for China.

Supported by the abovementioned statistics, the Hong Kong financial market is expected to improve steadily and it is shown that there is a growth on the transactions conducted by the listed companies in Hong Kong which require the printing of prospectuses, announcements and/or circulars. In addition, with the support of the mutual market access policy, it is believed that the commercial printing business of the remaining Group remains positive.

With regard to the economic statistics for the European Region, the Company is positive with the prospect of the business of manufacture and sale of hangtags, labels, shirt paper boards and plastic bags. However, according to the 2014 Annual Results Announcement, it is noted that this business segment is still encountering a difficult time, with the revenue of the segment decreased by approximately 34.5% to approximately HK$14.7 million for the financial year ended 31 March 2014 and the segment profit of approximately HK$0.6 million was derived by stringent cost control measures implied by the remaining Group. Therefore, there is still uncertainty when the remaining Group can fully enjoy the outcome of the economy recovery within the European Region.

For the purpose of sustaining long term growth, the Directors will keep on exploring all potential opportunities to develop its business.

The Offer Price

Emperor Capital, on behalf of the Offeror, is making the Offer for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and the parties acting in concert with it) which is unconditional in all respects and are not conditional upon acceptances being received in respect of a minimum number or any other conditions and in compliance with the Takeovers Code, on the following basis:

For each Offer Share . . . . HK$0.70 in cash

The Offer Price of HK$0.70 per Offer Share under the Offer is equal to the price per Sale Share paid by the Offeror under the Share Sale Agreement. The Offer Price of HK$0.70 per Offer Share represents:

(i) a discount of approximately 11.39% to the closing price of HK$0.79 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;

(ii) a discount of approximately 46.15% to the closing price of HK$1.30 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 40.98% to the average closing price of approximately HK$1.186 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 5 trading days up to and including the Last Trading Day;

(iv) a discount of approximately 40.02% to the average closing price of approximately HK$1.167 per Share, being the average of the closing prices of the Shares as quoted on the Stock Exchange for the 10 trading days up to and including the Last Trading Day;

(v) a discount of approximately 25.69% to the average closing price of approximately HK$0.942 per Share for the last 30 trading days immediately prior to and including the Last Trading Day;

(vi) a premium of approximately 32.08% over the closing price of HK$0.53 per Share as quoted on the Stock Exchange on the last Business Day prior to the commencement of the Offer Period; and

(vii) a discount of approximately 7.89% to the audited net asset value of the Group of approximately HK$0.76 per Share as at 31 March 2014, based on a total of 635,353,119 Shares in issue as at the Latest Practicable Date and the audited net asset value of the Group of approximately HK$485,794,000 million as set out in Appendix II to this Composite Offer Document.

However, the abovementioned historical closing prices of the Shares and the audited net assets value of the Group as at 31 March 2014 as stated in paragraphs (ii) to (vi) above do not take into account the effects of the Special Distribution (whereas the closing price as at Latest Practicable Date as stated in paragraph (i) above is already ex-Special Distribution). As the independent Shareholders have approved the relevant resolutions at the special general meeting of the Company held on 11 June 2014 as announced in the Company's poll results announcement dated 11 June 2014, when the Offer is made, Shareholders whose names appear on the register of members of the Company at 4:30 p.m. on Wednesday, 18 June 2014, the record date and time for determination of entitlements to the Special Distribution, are also entitled to the Special Distribution whether or not they accept the Offer.

For purposes of illustration, take into account of the above, if the historical closing prices of the Shares are adjusted for the effects of the Special Distribution ("**Adjusted Closing Price**") and if the net assets value of the Group as at 31 March 2014 is adjusted for the effects of the Special Distribution of HK$0.50 per Share, the Offer Price represents:

(i) a discount of 12.50% to the Adjusted Closing Price of HK$0.80 per Share as quoted on the Stock Exchange on the Last Trading Day;

(ii) a premium of approximately 2.04% over the average Adjusted Closing Price of approximately HK$0.686 per Share for the last five trading days immediately prior to and including the Last Trading Day;

(iii) a premium of approximately 4.95% over the average Adjusted Closing Price of approximately HK$0.667 per Share for the last 10 trading days immediately prior to and including the Last Trading Day;

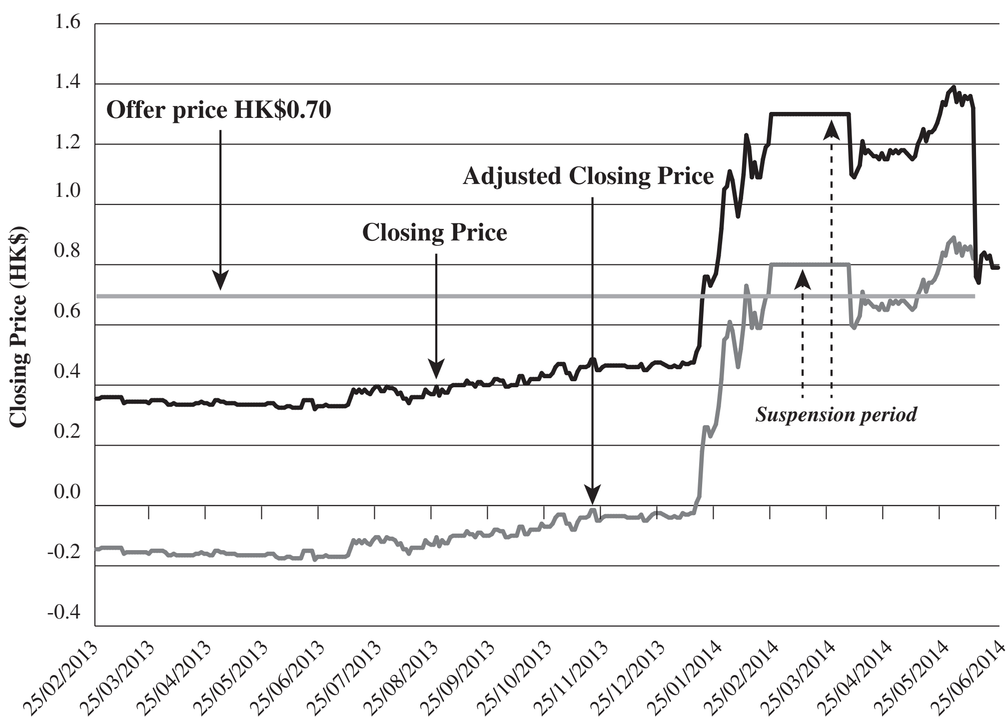
(iv) a premium of approximately 58.37% over the average Adjusted Closing Price of approximately HK$0.442 per Share for the last 30 trading days immediately prior to and including the Last Trading Day; and

(v) a premium of approximately 169.23% over the 2014 Adjusted NAV Per Share (as defined under the section headed "Comparable analysis" in this letter).

Further terms and conditions of the Offer, including the procedures for acceptance, are set out in the "Letter from Emperor Capital" and Appendix I to the Composite Offer Document.

Historical share price performance

The graph below shows the daily closing price of the Shares as quoted on the Stock Exchange from 25 February 2013, being the twelve-month period leading up to 25 February 2014, (being the 12 calendar months period prior to the date of the Share Sale Agreement) (both dates inclusive) (the "**Pre-Announcement Period**") and from 4 April 2014, being the first day of trading in the Shares after the publication of the Joint Announcement, to the Latest Practicable Date (both dates inclusive) (the "**Post-Announcement Period**"), collectively known as the ("**Review Period**").The first day of dealing in Shares on ex-entitlement basis in respect of the Special Distribution was 13 June 2014, the closing prices of the Shares was presented (i) in Adjusted Closing Price during the period from 25 February 2013 to 12 June 2014; and (ii) in closing price of the Shares quoted on the Stock Exchange during the period from 25 February 2013 and to the Latest Practicable Date (with the ex-Special Distribution closing price of the Shares since 13 June 2014) in the graph below.



Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

Note: (1) The trading of the Shares was suspended from 25 February 2014 to 3 April 2014.

(2) The Adjusted Closing Price was below HK$0 meant that the closing price on that trading day was less than HK$0.50, i.e. the amount of the Special Distribution per Share.

The Pre-Announcement Period

The Adjusted Closing Price ranged from a negative HK$0.18 to a negative HK$0.015 from 25 February 2013 to 13 January 2014 and the Adjusted Closing Price of the Shares has demonstrated an increasing trend up to the Last Trading Day thereafter. The Adjusted Closing Price has risen substantially from HK$0.01 on 14 January 2014 to HK$0.80 on 24 February 2014, being the trading day before the suspension of the Shares. We were advised by the Company that save for the announcement of the Company dated 16 January 2014 in relation to the potential change in shareholding of the Company (the "**January Announcement**"), the Company was not aware of any reasons for such increase in Share price implying investors reacted positively to the January Announcement.

During the Pre-Announcement Period, the Adjusted Closing Price ranged from the lowest of a negative HK$0.18 on 24 June 2013 to the highest of HK$0.80 on 24 February 2014. On 25 February 2014, trading in the Shares on the Stock Exchange was suspended pending the release of the Joint Announcement.

The Post-Announcement Period

For the Post-Announcement Period, since the resumption of the Shares and up to the date prior to the commencement of the trading of Shares on an ex-Special Distribution basis, i.e. 4 April 2014 to 12 June 2014, the highest and the lowest Adjusted Closing Price/closing price (where applicable) of the Shares as quoted on the Stock Exchange were HK$0.89 on 3 June 2014 and HK$0.59 on 7 April 2014 respectively.

On 13 June 2014, the Shares started to trade on an ex-Special Distribution basis, such that for those Independent Shareholders who consider about the Offer will only need to take account into the Adjusted Closing Price and the ex-Special Distribution closing price, and make comparison to the Offer Price.

From 13 June 2014 and up to the Latest Practicable Date, the closing price of the Shares ranged from HK$0.74 to HK$0.83. The Offer Price represents a discount of approximately 5.4% and 15.66% to such lowest and highest closing prices of the Shares since the commencement of the ex-Special Distribution period.

We would like to remind the Independent Shareholders that the Offer Price is at a discount to the closing price of the Shares on the Latest Practicable Date, given the substantial increase in the Adjusted Closing Price/closing price (where applicable) after the publication of the January Announcement and there is no guarantee that the trading price of the Shares will sustain and will or will not be higher than the Offer Price during and after the period of the Offer. The Independent Shareholders, in particular those who may wish to realize their investments in the Shares, are thus reminded to closely monitor the market price of the Shares during the period of the Offer remains open for acceptance.

Liquidity of the Shares

We have reviewed the historical trading volume of the Shares during the period from 25 February 2013 and up to and including the Latest Practicable Date (being the 12 month period prior to the Last Trading Day and up to and including the Latest Practicable Date). The average daily trading volume of the Shares and the percentages of the average daily trading volume of the Shares as compared to the total number of issued Shares as at the Latest Practicable Date are shown in table below.

Month/Period	Average daily trading volume *(Shares)*	Approximate % of average daily trading volume to the total number of issued Shares *(Note 1)* *(%)*	Number of trading days of the Shares in the relevant month *(days)*
2013			
February 25 to February 28	53,500.0	0.01%	4
March	132,950.0	0.02%	20
April	186,398.6	0.03%	20
May	74,095.2	0.01%	21
June	181,397.7	0.03%	19
July	322,936.4	0.05%	22
August	153,309.5	0.02%	21
September	317,500.0	0.05%	20
October	81,714.3	0.01%	21
November	82,666.7	0.01%	21
December	60,525.0	0.01%	20
2014			
January	6,413,179.5	1.01%	21
February *(note 2)*	4,555,440.8	0.72%	15
March *(note 2)*	0	N/A	0
April *(note 2)*	9,273,840.12	1.46%	17
May	2,935,071.35	0.46%	20
June (up to and including the Latest Practicable Date)	4,013,047.53	0.63%	17

Source: Bloomberg and website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. Based on 635,353,119 Shares in issue as at the Latest Practicable Date.

2. The trading of the Shares was suspended from 25 February 2014 to 3 April 2014.

During the Review Period and before publication of the January Announcement and the Joint Announcement, the monthly average daily trading volume of the Shares ranged from 0.01% to approximately 0.05% of the total number of issued Shares as at the Latest Practicable Date. As shown in the table, the average daily trading volume has been substantially increased upon publication of the January Announcement and the Joint Announcement. Also, on 5 June 2014 and 18 June 2014, the Company published two announcements in relation to profit warning respectively ("**Profit Warning Announcements**"), indicating that the Board expects that the Group will record a net loss attributable to equity holders of the Company for the year ended 31 March 2014. Save for the January Announcement, the Joint Announcement and the Profit Warning Announcements, we are not aware of any other public announcements made by the Company that were price sensitive in nature and thus, we consider the increase in trading volume in Shares during the period from January 2014 up to the Latest Practicable Date, to a large extent, may likely due to the market speculation on the possible change in control of the Company and in general, the trading volume of the Shares during the Review Period was thin.

Given the generally low liquidity of the Shares, we consider that Shareholders who may wish to realize their investment in the Company, especially those with relatively sizeable shareholdings, might not be able to do so without having an adverse impact on the market price of the Shares. Therefore, we consider that the Offer provides an alternative for the Shareholders who would like to realize their investment in the Shares. Nevertheless, Shareholders who intend to dispose part or all of their Shares are reminded to monitor closely the market price and the liquidity of the Shares during the Offer Period remains open for acceptance and consider selling their Shares in the open market, instead of accepting the Offer, if the net proceeds from the disposal of such Shares in the open market would exceed that receivable under the Offer.

Comparable analysis

Price-to-earnings ("**P/E**") ratio and price-to-book ("**P/B**") ratio are the two most commonly used benchmarks in valuing a company. Based on the price of HK$0.70 per Offer Share and the total number of issued Shares of 635,353,119 as at the Latest Practicable Date, the Company is valued at approximately HK$444.75 million.

As shown in the unaudited pro forma consolidated income statement of the Group for the year ended 31 March 2013 as contained in Appendix III to the Disposal Circular, the remaining Group would record a loss attributable to owners of the Company of approximately HK$37,424,000 as if the Asset Reorganisation had taken place on 1 April 2012, and therefore we consider that it is inappropriate to conduct an analysis on the P/E ratio in such circumstances.

As shown in the Disposal Circular, it is noted that as at 31 January 2014, the net asset value of Brilliant Stage Group was HK$220,595,000 and the consideration for the Asset Reorganisation, i.e. the disposal of the Brilliant Stage Shares, was HK$180,000,000. As advised by the Company, due to the consideration of the Asset Reorganisation is less than the net asset value (before any impairment loss) of Brilliant Stage Group as at 31 March 2014, an impairment loss on property, plant and equipment has been provided in the financial statements of the Group for the year ended 31 March 2014. As depicted in the 2014 Annual Results Announcement, the audited net asset value of the Group as at 31 March 2014 was HK$485,794,000 and upon reducing the Special Distribution of HK$0.50 per Share of an aggregate amount of approximately HK$317.7 million, which is expected to be distributed to the Shareholders in cash on 4 July 2014, the adjusted net asset value of the Group as at 31 March 2014 would be approximately HK$168,117,440, and based on a total of 635,353,119 Shares in issue as at the Latest Practicable Date, equivalent to an adjusted net asset value per Share of approximately HK$0.26 ("**2014 Adjusted NAV Per Share**"), the P/B ratio of the Group implied by the Offer Price (the "**Implied P/B**") is approximately 2.69 times. Also, we note that the Offer Price HK$0.70 represents a premium of approximately 169.23% over the 2014 Adjusted NAV Per Share.

In assessing the fairness and reasonableness of the Offer, we have attempted to compare the Implied P/B ratio with comparable companies listed on the Stock Exchange and engaged in the same or similar business nature with the Group. We have identified comparable companies listed on either the main board of the Stock Exchange or Growth Enterprises Market (the "**Business Comparables**"), which are (i) principally engaged in similar businesses as the Group, i.e. over 50% of the revenue is contributed from the printing segment; (ii) the market capitalization as at the Latest Practicable Date of less than HK$1 billion; and (iii) have not been suspended for trading for more than 12 months from the Latest Practicable Date, for comparison purposes. The P/B ratios are based on their respective closing prices and total number of issued shares as at the Latest Practicable Date and their respective net asset values attributable to shareholders as disclosed in their latest published annual/interim reports and/or annual/interim results announcements on or before the Latest Practicable Date. As the Business Comparables are engaged in similar businesses as the Group, i.e. over 50% of the revenue is contributed from the printing segment, with market capitalization of less than HK$1 billion which is comparable to the Group, and with their respective P/B ratios are determined with reference to the Latest Practicable Date, we consider the Business Comparables are fair and representative samples. We also consider the Business Comparables that we have identified and reviewed are exhaustive.

Industry Comparables (Stock code)	**Marker capitalization** *(Note 1)*	**Principal business**	**P/B ratio (times)** *(Note 2)*
1010 Printing Group Limited	HK$723,800,000	Provision of printing services	1.09
China Print Power Group Limited (6828)	HK$714,823,361	Printing business and sales of paper and leather products.	3.69
Midas International Holdings Limited (1172)	HK$388,468,657	Manufacturing and trading of printed products, and development and operation of cemetery.	0.73
Neway Group Holdings Limited (55)	HK$183,483,821	Printing of labels, plastic cards, advertising materials, and music and entertainment business.	0.22
Starlite Holdings Limited (403)	HK$223,182,497	Principally engaged in the printing and manufacturing of packaging materials, labels and paper products, including environmental friendly paper products.	0.40
		Minimum	0.22
		Maximum	3.69
		Mean	1.23
The Offer	**HK$444,747,183**	**Implied P/B**	2.69 *(Note 3)*

Source: website of the Stock Exchange (www.hkex.com.hk)

Notes:

1. The market capitalisation of the Business Comparables are calculated on the basis of their respective closing prices of the shares and the total number of issued shares as at Latest Practicable Date.

2. The P/B ratios of the Business Comparables are calculated on the basis of their respective market capitalisation and net asset values attributable to shareholders as disclosed in the latest published annual/interim reports and/or annual/interim results announcements on or before the Latest Practicable Date.

3. The Implied P/B of the Company is based on the Offer Price and the 2014 Adjusted NAV Per Share.

As indicated in the above table, the P/B ratios of the Business Comparables range from approximately 0.22 times to approximately 3.69 times with a mean of approximately 1.23 times. P/B ratio is a ratio used to compare a company's market value to its book value. While a P/B ratio does not indicate anything about the ability of a company to generate shareholder profit, it usually serves to indicate whether a company is overvalue (higher ratio) or undervalued (lower ratio). The Implied P/B ratio, being 2.69 times, falls within the range and lies above the mean of the P/B ratios of Business Comparables which indicates that the value of the Group implied by the Offer Price is higher than the average value of the Business Comparables and hence, we consider the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

In view that (i) the Shares have commenced trading on an ex-Special Distribution basis since 13 June 2014 such that the Independent Shareholders only have to take account into the movement of the Adjusted Closing Price and the ex-Special Distribution Share price; (ii) the Offer Price represents a premium over the Adjusted Closing Price for most of the trading days during the 12-month period prior to the Last Trading Day; (iii) the Offer Price represents premium over the respective average Adjusted Closing Prices of the Share for the last 5, 10 and 30 trading days up to and including the Last Trading Day; (iv) the Offer Price represents a premium over the 2014 Aujusted NAV Per Share; and (v) the liquidity of the Shares is considerably low; (vi) the Implied P/B falls within the range and above the average of the P/B ratios of the Business Comparables, we consider the Offer Price is fair and reasonable so far as the Independent Shareholders are concerned.

Background of the Offeror and its intention regarding the future of the Group

(a) Information on the Offeror

As set out in the Letter from Emperor Capital, the Offeror is an investment holding company incorporated in the BVI with limited liability and, save for entering into the Share Sale Agreement and entering into the financial arrangement with Emperor Securities Limited in relation to the Share Sale Agreement and the Offer, the Offeror did not engage in any business activities. As at the Latest Practicable Date, the Offeror was owned as to 70% by Mr. Lin and as to 30% by Madam Su, and Mr. Lin and Madam Su are the directors of the Offeror.

Information in relation to Mr. Lin and Madam Su are set out in the paragraph "Proposed change in the Board composition" below this letter.

(b) Intention of the Offeror

As set out in the Letter from Emperor Capital, following the close of the Offer, the Offeror intends to continue the principal business of the Group, which comprises (i) commercial printing; and (ii) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags. The Offeror will, following the completion of the Offer, conduct a detailed review of the business operations and financial position of the Group for the purpose of developing a sustainable business plan or strategy for the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may diversify the business of the Group with the objective of broadening its sources of income. However, as of the Latest Practicable Date, no such investment or business opportunities had been identified nor had the Offeror entered into any agreement, arrangements, understandings or negotiation in relation to the injection of any assets or business into the Group. Nor has the Offeror entered into any agreement, arrangements, understandings or negotiations in relation to the continued employment of the employees, disposal and/or re-deployment of the assets (including fixed assets) of the Group, or termination or scaling down of any of the Group's business. Nonetheless, the Offeror has no intention to redeploy the fixed assets of the Group or to discontinue the employment of the Group's employees other than in the ordinary course of business.

(c) Proposed change in the Board composition

As set out in the Letter from Emperor Capital, the Board currently comprises six Directors, including three executive Directors being Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui and three independent non-executive Directors being Dr. Lam Chun Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen. Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui intend to resign as executive Directors and Dr. Lam Chung Kong, Mr. Lo Wing Man and Dr. Ng Lai Man, Carmen intend to resign as independent non-executive Directors with effect from the earliest time permitted under the Takeovers Code (which is the close of the Offer). Each of Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui will remain as directors of certain subsidiaries of the Group.

The Offeror at present intends to nominate Mr. Lin, Madam Su and Mr. Lin Xiaodong as new executive Directors and Mr. Yu Leung Fai, Mr. Fang Ji Xin and Ms. Li Jue as new independent non-executive Directors which will only be effective not earlier than the despatch date of this Composite Offer Document in accordance with the Takeovers Code. A further announcement will be made on any further proposed change of the composition of the Board. Any changes to the Board composition will be made in compliance with the Takeovers Code and the Listing Rules.

Biographies of new Directors nominated by the Offeror

Executive Directors

Mr. Lin, aged 41, obtained a diploma in business administration from the Society of Business Practitioners in December 2013. Since 2005, Mr. Lin has held management positions in a number of private companies in which he has shareholding interests, and these companies are mainly engaged in real estates, electronics, logistics and financial investment in Shenzhen. Mr. Lin is a member of the Committee of Shenzhen City of the Chinese People's Political Consultative Conference and a member of the Committee of Futian District, Shenzhen City of the Chinese People's Political Consultative Conference. Mr. Lin is the spouse of Madam Su.

Madam Su, aged 42, obtained an advanced diploma in business studies from Ashford College of Management & Technology Singapore in September 2012. Since 2005, Madam Su has held management positions in a number of private companies which she has shareholding interests, and these companies are mainly engaged in real estates, electronics, logistics and financial investment in Shenzhen. Madam Su has also served as a member of the People's Congress of Futian District, Shenzhen City since April 2012. Madam Su is the spouse of Mr. Lin.

Mr. Lin Xiaodong, aged 31, obtained a Bachelor degree in Commerce and Administration in Commercial Law and International Business from the Victoria University of Wellington, New Zealand in 2007. He has worked in the Branch Office of Shenzhen Municipal Office of the State Administration of Taxation* (深圳市國家稅務局直屬分局) from 2007 to 2009. He has undertaken various managerial roles in a company owned by Mr. Lin and Madam Su since 2009 and is currently a deputy general manager. Mr. Lin Xiaodong is the brother of Mr. Lin.

Independent non-executive Directors

Mr. Yu Leung Fai, aged 37, has extensive experience in the corporate services field. Mr. Yu has joined the corporate and PRC services of Fung, Yu & Co. CPA Limited since 2001 and is currently the principal of the division. He holds a degree of Bachelor of Commerce (Hon.) from the University of Toronto and a degree of Bachelor of Laws from the University of London, and is a member of the American Institute of Certified Public Accountants, CPA Australia and the Hong Kong Institute of Certified Public Accountants.

Mr. Yu has also been the company secretary of Haichang Holdings Ltd. (stock code: 2255) since March 2014; the joint company secretary and authorized representative of China National Materials Company Limited (stock code: 1893) since May 2009; the company secretary and alternative authorized representative of Beijing Media Corporation Limited (stock code: 1000) since March 2010; the company secretary and authorized representative of Yuanda China Holdings Limited (stock code: 2789) since June 2012; the company secretary and authorized representative of Vale S.A. (stock code: 6210 for Common Depositary Receipts and 6230 for Class A Preferred Depositary Receipts) since 2010, all of which are listed companies in Hong Kong.

Mr. Fang Jixin, aged 32, holds a Master degree in Civil and Commercial Law from Wuhan University. Mr. Fang was a legal assistant and a solicitor in Shu Jin Law Firm from 2005 to 2008 and in the compliance and management division of China International Capital Corporation Limited from 2008 to 2012. He has joined Shenzhen City Zhidongli Precise Technology Company Limited* (深圳市智動力精密技術股份有限公司) since 2012 and is currently the deputy general manager and secretary to the board of directors (董事會秘書).

Ms. Li Jue, aged 38, graduated in Jilin University School of Law, obtained a Bachelor degree in Laws in 1997, a Master degree in Civil and Commercial Law in 2001 and a Doctorate degree in Civil and Commercial Law in 2013. In 2014, Ms. Li joined the post-doctoral research station jointly established by the Center for Assessment and Development of Real Estate, Shenzhen* (深圳市房地產評發展中心) and the Harbin Institute of Technology, PRC, and engaged in researches relating to the real estate industry. Ms. Li was employed by the Bank of China (Shenzhen Branch) from 2001 to 2013.

Save as disclosed above, the Offeror does not intend to implement any material changes to the existing management of the Group following the close of the Offer.

(d) Maintaining the listing status of the Company

As set out in the Letter from Emperor Capital, the Offeror intends the Company to remain listed on the Stock Exchange. The directors of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares.

RECOMMENDATION

Taking into consideration the above-mentioned principal factors and reasons of the Offer, being:

(i) although the prospect of the businesses of the remaining Group/Group remain positive, there is no guarantee that the Share price would remain an upward trend;

(ii) the overall liquidity of the Shares, in general, was thin during the Review Period;

(iii) the Shares has commenced trading on an ex-Special Distribution basis such that the Independent Shareholders only have to take consideration into the Adjusted Closing Price and the closing price of the Shares with an ex-Special Distribution basis;

(iv) the Offer Price although represents an approximately 11.39% discount to the closing price of the Share as at the Latest Practicable Date, it represents (a) a premium over the Adjusted Closing Price for most of the trading days during the 12-month period prior to the Last Trading Day; and (b) premium over the respective average Adjusted Closing Prices of the Share for the last 5, 10 and 30 trading days up to and including the Last Trading Day;

(v) the Offer Price represents a premium over the 2014 Adjusted NAV Per Share; and

(vi) the Implied P/B ratio by the Offer Price falls within the range and lies above the mean of the P/B ratios of the Business Comparables,

we consider the terms of the Offer to be fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to accept the Offer.

Shareholders in particular those who intend to accept the Offer, are reminded to note the recent fluctuation in the Share price after the release of the Joint Announcement, and that there is no guarantee that the current market price will or will not sustain and will or will not be higher than the Offer Price during and after the close of the Offer. Shareholders who intend to accept the Offer are reminded to closely monitor the market price and the liquidity of the Shares during the period of the Offer remain open for acceptance and shall, having regard to their own circumstances, consider selling the Shares in the open market, instead of accepting the Offer, if the net proceeds from the sale of such Shares would be higher than that receivable under the Offer.

Yours faithfully,
For and on behalf of
Veda Capital Limited
Julisa Fong
Managing Director

PROCEDURES FOR ACCEPTANCE OF THE OFFER

To accept the Offer, you should complete and sign the Form of Acceptance in accordance with the instructions printed thereon, which instructions form part of the terms of the Offer.

(a) 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 Share(s) is/are in your name, and you wish to accept the Offer, you must send the duly completed Form of Acceptance together with 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) for not less than the number of the Shares in respect of which you intend to accept the Offer by post or by hand to the Registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, marked "Cheong Ming Offer" on the envelope by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may announce as a result of a revision or an extension of the Offer, if any.

(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 the name of a nominee company or a name other than your own, and you wish to accept the Offer whether in full or in part of your Shares, you must either:

   (i) instruct the nominee company to accept the Offer on your behalf and request it to deliver the completed Form of 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 send the completed Form of 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 by no later than 4:00 p.m. on the Closing Date; 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 authorize HKSCC Nominees Limited to accept the 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 by HKSCC Nominees Limited.

(c) If the 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) in respect of your Shares is/are not readily available and/or is/are lost and you wish to accept the Offer, the Form of 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 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), you should also write to the Registrar for a letter of indemnity which, when completed in accordance with the instructions given, should be returned to the Registrar.

(d) 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 Offer in respect of your Shares, you should nevertheless complete the Form of 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 Emperor Capital and/or the Offeror or their respective agent(s) to collect from the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such certificate(s) to the Registrar as if it was/they were delivered to the Registrar with the Form of Acceptance.

(e) Acceptance of the Offer will be treated as valid only if the duly completed Form of Acceptance is received by the Registrar by not later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine in compliance with the requirements of the Takeovers Code and announce, 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 document(s) 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 the Shares which are not taken into account under another sub-paragraph of this paragraph (e)); or

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

If the Form of Acceptance is executed by a person other than the registered Independent Shareholders, appropriate documentary evidence of authority to the satisfaction of the Registrar must be produced.

(f) No acknowledgement of receipt of any Form of 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.

(g) The address of the Registrar, Tricor Tengis Limited, is at Level 22 Hopewell Centre, 183 Queen's Road East, Hong Kong.

ACCEPTANCE PERIOD AND REVISIONS

Unless the Offer has previously been revised with the consent of the Executive, all Form of Acceptance must be received by the Registrar by 4:00 p.m. on the Closing Date in accordance with the instructions printed thereon.

If the Offer is revised, the announcement of such revision will state the next Closing Date and the Offer will remain open for acceptance for a period of not less than 14 days from the posting of the written notification and/or announcement of the revision to the Independent Shareholders and, unless previously revised, shall close on the subsequent Closing Date. If the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms.

If the Closing Date is revised, any reference in the Composite Offer Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the Closing Date of the Offer as so revised.

ANNOUNCEMENTS

(a) By 6:00 p.m. (or such later time and/or date as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must publish an announcement on the Stock Exchange's website in accordance with the Listing Rules no later than 7:00 p.m. on the Closing Date stating whether the Offer has been revised or extended or has expired. The announcement will state the following:

(i) the total number of Shares and rights over Shares (if any) for which acceptances of the Offer have been received;

(ii) the total number of Shares and rights over Shares (if any) held, controlled or directed by the Offeror or parties acting in concert with it before the offer period (as defined under the Takeovers Code); and

(iii) the total number of Shares and rights over Shares (if any) 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 Note 4 to Rule 22 of 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 relevant classes of share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

(b) In computing the total number of Shares represented by acceptances, acceptances which are in all respects in complete and good order and have been received by the Registrar no later than 4:00 p.m. on the Closing Date, being the latest time and date for acceptance of the Offer, shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Listing Rules.

RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders or by their agent(s) on their behalves shall be irrevocable and cannot be withdrawn, except in the circumstances set out in sub-paragraph (b) below.

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

SETTLEMENT

Provided that the Form of Acceptance and/or 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) are in complete and good order in all respects and have been received by the Registrar by no later than 4:00 p.m. on the Closing Date for the acceptance of the Offer, a cheque for the amount representing the cash consideration due to each accepting Independent Shareholder in respect of the Shares tendered by him/her or his/her agent(s) under the Offer, less seller's ad valorem stamp duty payable by him/her in the case for tendered Shares, will be despatched to each accepting Independent Shareholder by ordinary post at his/her own risk as soon as possible but in any event within seven (7) Business Days following the date of receipt of duly completed acceptances by the Registrar.

Save for payment of stamp duty set out above, settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer, without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

If the Offer is withdrawn with the consent of the Executive in accordance with the Takeovers Code, 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 any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the Shares lodged with the Form of Acceptance to the relevant Independent Shareholders who have tendered acceptances to the Offer.

OVERSEAS SHAREHOLDERS

The making of the Offer to or the acceptance thereof by persons not being a resident of Hong Kong or with a registered address in jurisdictions outside Hong Kong may be affected by the laws of the relevant jurisdictions. The Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of all relevant jurisdictions in connection with the acceptance of the Offer (including but not limited to the obtaining of any governmental, exchange control or other consent and any registration or filing which may be required or the compliance with other necessary formalities, regulatory and/or legal requirements and the payment of any transfer or other taxes due in respect of such jurisdictions). The Overseas Shareholders shall be fully responsible for the payment of any transfer or other taxes and duties by whomsoever payable in respect of all relevant jurisdictions.

Acceptances of the Offer by any Overseas Shareholders will be deemed to constitute a warranty by such persons that such persons are permitted under all applicable laws to receive and accept the Offer, and any revision thereof, and such acceptances shall be valid and binding in accordance with all applicable laws. The Overseas Shareholders are recommended to seek professional advice on deciding whether to accept the Offer.

GENERAL

(a) All communications, notices, Form of Acceptance, share certificates, transfer receipts, other documents of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents through post at their own risk, and none of the Company, the Offeror, Emperor Capital, the Registrar or any of their respective directors or agents or other parties involved in the Offer accepts 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 of Acceptance form part of the terms of the Offer.

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

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

(e) Due execution of the Form of Acceptance will constitute an authority to any director of the Offeror, Emperor Capital or such person or persons as any of them may direct to complete and execute any document on behalf of the person accepting the Offer 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, in respect of which such person has accepted the Offer.

(f) Acceptance of the Offer by any person or persons will be deemed to constitute a warranty by such person or persons to the Offeror and Emperor Capital that the Shares held by such person or persons to be acquired under the Offer are sold by any such person or persons free from all third party rights, liens, charges, equities, options, claims, adverse interests and encumbrances and together with all rights attaching thereto as at the date on which the Offer is made including the right to receive in full all dividends or other distributions that may be declared, made or paid by the Company on or after the date on which the Offer is made (save for the Special Distribution).

(g) References to the Offer in this Composite Offer Document and in the Form of Acceptance shall include any extension and, or revision thereof.

(h) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which it is indicated in the relevant Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owners who are accepting the Offer.

(i) The English text of this Composite Offer Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts in case of inconsistency.

1. FINANCIAL SUMMARY

The following is a summary of the audited financial results of the Group for each of the three years ended 31 March 2012, 2013 and 2014 as extracted from respective annual reports and annual results announcement of the Company:

	Year ended 31 March		
	2014	**2013**	**2012**
	HK$'000	*HK$'000*	*HK$'000*
			(Restated)
Revenue	524,494	429,701	503,780
(Loss)/Profit from operations	(9,477)	23,882	(7,662)
Finance costs	(573)	(614)	(882)
Share of loss of associates	–	–	(56)
(Loss)/Profit before income tax	(10,050)	23,268	(8,600)
Income tax expense	(2,394)	(5,455)	(3,464)
(Loss)/Profit for the year attributable to the equity holders of the Company	(12,444)	17,813	(12,064)
Dividends attributable to the equity holders of the Company	–	12,707	12,707
(Loss)/Earnings per Share for (loss)/profit for the year attributable to the equity holders of the Company			
– Basic and diluted *(HK cents)*	(1.96)	2.80	(1.93)
Dividends per Share *(HK cents)*	–	2.00	2.00

There were no exceptional items because of size, nature or incidence in respect of the consolidated financial statements of the Company during each of the three years ended 31 March 2012, 2013 and 2014. The Group did not record any non-controlling interests for each of the three years ended 31 March 2012, 2013 and 2014.

The auditor of the Company, BDO Limited, issued qualified opinion on the consolidated financial statements of the Company for the years ended 31 March 2012, 2013 and 2014. The qualified opinion issued by BDO Limited for the years ended 31 March 2012, 2013 and 2014 are reproduced in the section headed "Modifications to the opinion in the independent auditor's reports" in this appendix.

2. MODIFICATIONS TO THE OPINION IN THE INDEPENDENT AUDITOR'S REPORTS

The following is a reproduction of the qualified opinion issued by BDO Limited on the consolidated financial statements of the Company for the years ended 31 March 2012, 2013 and 2014, which are contained in the 2012 and 2013 annual reports and 2014 annual results announcement of the Company respectively.

(i) In respect of the consolidated financial statements of the Company for the year ended 31 March 2014

"***Basis for Qualified Opinion***

As stated in note 20 to the consolidated financial statements, the Group had classified the 25% equity interest (the "Interest") in and the loan (the "Loan") to an associate, Suntap Enterprises Ltd., as a disposal group (the "Disposal Group") held for sale in the consolidated statement of financial position as at 31 March 2012 and thereafter because the vendor of the Interest, Fullpower Investment Holdings Corp. ("Fullpower") exercised the repurchase option stated in the acquisition agreement to repurchase the Interest together with the Loan at a total consideration of HK$65 million on 30 March 2012 (the "Repurchase"). The carrying amounts before impairment loss of the Interest and the Loan were approximately HK$56.4 million and approximately HK$24.6 million respectively. An impairment loss of approximately HK$16 million was recognised in the consolidated income statement for the year ended 31 March 2012 resulting in a net aggregate carrying amount of the Interest and the Loan of HK$65 million as at 31 March 2012.

In accordance with Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5"), the Interest of the Disposal Group classified as held for sale should be recognised at the lower of its carrying amount and its fair value less costs to sell whereas the Loan of the Disposal Group classified as held for sale should be measured at its amortised cost less impairment following the measurement requirements of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39").

The carrying amount of the Disposal Group as at 31 March 2013 was brought forward from the consolidated financial statements for the year ended 31 March 2012 and was determined based on the agreed repurchase consideration of HK$65 million. The repurchase consideration was negotiated as part of the original acquisition agreement dated 26 March 2011. It equals the cash portion of the consideration paid by the Group to Fullpower in exchange for the Interest and the Loan advanced by the Group to the associate after the acquisition but excludes the value of the share portion of the consideration for the acquisition. The completion of the Repurchase (including the settlement of the repurchase consideration) was outstanding as at 31 March 2013.

Fullpower informed the Company that the operations of the associate remained at an early stage of exploration as 31 March 2013 which was essentially similar to that as at 31 March 2012. The Repurchase was completed on 26 April 2013. The total consideration of HK$65 million has been settled as to (i) the payment of HK$25 million in cash by Fullpower and (ii) the remaining balance of the consideration of HK$40 million was funded by way of a loan to Fullpower by the Group. As such, the directors of the Company considered that the repurchase consideration of HK$65 million closely approximates the fair value of the Disposal Group as at 31 March 2013 and 26 April 2013 and the costs to complete the sale were immaterial. Therefore, the Company concluded that no adjustment to the carrying amount of the Disposal Group was necessary as at 31 March 2013 and 26 April 2013 and the Company recognised the completion of the Repurchase at no gain or loss during the year ended 31 March 2014.

However, we were unable to verify the management's assessment that the repurchase consideration of HK$65 million closely approximates the fair value of the Disposal Group as at 31 March 2013 and 26 April 2013. The repurchase consideration was predetermined more than two years ago from 31 March 2013 and 26 April 2013. It might not be representative of the fair value of the Disposal Group as at 31 March 2013 and 26 April 2013. There was no alternative evidence available to determine the fair value of the Interest of the Disposal Group as the operations of the associate were at an early stage of exploration. We qualified our audit opinion on the consolidated financial statements for the year ended 31 March 2013 for any adjustments which may have found to be necessary to reduce the Group's net assets as at 31 March 2013 and the Group's results for the year then ended.

Accordingly, we were unable to determine whether the gain or loss arising from the completion of the Repurchase on 26 April 2013 (being the difference between the repurchase consideration and the carrying amount of the Disposal Group as at 26 April 2013), if any, was free from material misstatement. Any adjustment found to be necessary would have an impact on the Group's profit for the year ended 31 March 2014, and would have consequential effect on the related disclosures thereof in the consolidated financial statements for the year ended 31 March 2014.

Qualified Opinion Arising from Limitation of Scope

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, 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 March 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."

(ii) In respect of the consolidated financial statements of the Company for the year ended 31 March 2013

"***Basis for Qualified Opinion***

As stated in notes 18 (a) and 20 to the consolidated financial statements, the Group had classified the 25% equity interest (the "Interest") in and the loan (the "Loan") to an associate, Suntap Enterprises Ltd., as a disposal group (the "Disposal Group") held for sale in the consolidated statement of financial position as at 31 March 2012 and 31 March 2013 because the vendor of the Interest, Fullpower Investment Holdings Corp. ("Fullpower") exercised the repurchase option stated in the acquisition agreement to repurchase the Interest together with the Loan at a total consideration of HK$65 million on 30 March 2012 (the "Repurchase"). The carrying amounts before impairment loss of the Interest and the Loan were approximately HK$56.4 million and approximately HK$24.6 million, respectively. An impairment loss of approximately HK$16 million was recognised in the consolidated income statement for the year ended 31 March 2012 resulting in a net aggregate carrying amount of the Disposal Group of HK$65 million as at 31 March 2012.

In accordance with Hong Kong Financial Reporting Standard 5 "Non-current Assets Held for Sale and Discontinued Operations" ("HKFRS 5"), the Interest of the Disposal Group classified as held for sale should be recognised at the lower of its carrying amount and its fair value less costs to sell whereas the Loan of the Disposal Group classified as held for sale should be measured at its amortised cost less impairment following the measurement requirements of Hong Kong Accounting Standard 39 "Financial Instruments: Recognition and Measurement" ("HKAS 39").

The carrying amount of the Disposal Group as at 31 March 2013 was brought forward from the consolidated financial statements for the year ended 31 March 2012 and was determined based on the agreed repurchase consideration of HK$65 million. The repurchase consideration was negotiated as part of the original acquisition agreement dated 26 March 2011. It equals the cash portion of the consideration paid by the Group to Fullpower in exchange for the Interest and the Loan advanced by the Group to the associate after the acquisition but excludes the value of the share portion of the consideration for the acquisition. The completion of the Repurchase (including the settlement of the repurchase consideration) was outstanding as at 31 March 2013.

Fullpower informed the Company that the operations of the associate remained at an early stage of exploration as at 31 March 2013 which was essentially similar to that as at 31 March 2012. On 17 September 2012, a legal demand letter has been presented to Fullpower to urge the completion of the Repurchase by effecting payment of the repurchase consideration of HK$65 million. The Company was of the view that although the Repurchase had been delayed, Fullpower was actively seeking a source of finance and remained committed to complete the Repurchase. Subsequently, the Repurchase was completed on 26

April 2013. The total consideration of HK$65 million has been settled as to (i) the payment of HK$25 million in cash by Fullpower and (ii) the remaining balance of the consideration of HK$40 million was funded by way of a loan to Fullpower by the Group. As such, the directors of the Company considered that the repurchase consideration of HK$65 million closely approximates the fair value of the Disposal Group as at 31 March 2012 and 31 March 2013, and the costs to complete the sale were immaterial. Therefore, the Company concluded that no adjustment to the carrying amount of the Disposal Group was necessary as at 31 March 2012 and 31 March 2013.

However, we were unable to verify the management's assessment that the repurchase consideration of HK$65 million closely approximates the fair value of the Disposal Group as at 31 March 2012 and 31 March 2013. The repurchase consideration was predetermined more than two years ago from 31 March 2013 (one year ago from 31 March 2012). It might not be representative of the fair value of the Disposal Group as at 31 March 2012 and 31 March 2013. There was no alternative evidence available to determine the fair value of the Disposal Group as the operations of the associate were at an early stage of exploration.

Accordingly, we were unable to determine whether the carrying amount of the Disposal Group in the consolidated statement of financial position of HK$65 million as at 31 March 2013 was free from material misstatement. Any adjustment found to be necessary would reduce the Group's net assets as at 31 March 2013 and the Group's net result for the year then ended, and would have consequential effect on the related disclosures thereof in the consolidated financial statements for the year ended 31 March 2013. We also qualified our audit opinion on the consolidated financial statements for the year ended 31 March 2012 on the same basis.

Qualified Opinion Arising from Limitation of Scope

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, 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 March 2013 and of the Group's profit 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."

(iii) In respect of the consolidated financial statements of the Company for the year ended 31 March 2012

"***Basis for Qualified Opinion***

As stated in notes 18(a) and 19(a) to the consolidated financial statements, the Group had classified the 25% equity interest (the "Interest") in and the loan (the "Loan") to an associate, Suntap Enterprises Ltd., of approximately HK$56.4 million and approximately HK$24.6 million, respectively, as a disposal group held for sale in the consolidated statement of financial position as at 31 March 2012. An impairment loss of approximately HK$16 million was recognised in the consolidated income statement for the year resulting in a net aggregate carrying amount of the Interest and the Loan of HK$65 million as at 31 March 2012.

In accordance with HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", a disposal group classified as held for sale should be recognised at the lower of its carrying amount and its fair value less costs to sell.

We were unable to satisfy ourselves that the disposal group is properly stated at its fair value less costs to sell. The fair value less costs to sell of the disposal group has been determined based on the agreed repurchase consideration of HK$65 million. The repurchase consideration was negotiated as part of the original acquisition agreement on 26 March 2011 and is not a current price. It represents the cash portion of the consideration paid by the Group to Fullpower Investment Holdings Corp. ("Fullpower") in exchange for the Interest and the Loan but excludes the value of the share portion of the consideration for the acquisition. In addition, Fullpower has not yet secured committed funds to finance the repurchase as the loan agreement with its finance lender is not completed and signed at the date of this report. Consequently, it is uncertain that the sale of the disposal group will be realised at the repurchase price. These factors taken together indicate that the repurchase consideration may not be representative of the fair value of the disposal group as at 31 March 2012. There was no alternative evidence available to us to determine the fair value of the disposal group as the operations of the associate are at an early stage of exploration. Consequently, we are unable to determine whether any adjustment to the carrying amount of the disposal group in the consolidated statement of financial position of HK$65 million as at 31 March 2012 is necessary and the amount of the impairment loss in the consolidated income statement of HK$16 million for the year ended 31 March 2012 was fairly stated.

There were no alternative audit procedures that we could perform to satisfy ourselves as to whether the carrying amount of the disposal group and the amount of the impairment loss were free from material misstatement. Any adjustment found to be necessary may have a consequential effect on the Group's net assets as at 31 March 2012 and the Group's net loss for the year ended 31 March 2012, and the related disclosures thereof in the consolidated financial statements of the Group.

Qualified Opinion Arising from Limitation of Scope

In our opinion, except for the possible effects of the matters described in the basis for qualified opinion paragraphs, 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 March 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."

3. AUDITED FINANCIAL STATEMENTS

The following is the full text of the audited consolidated financial statements of the Company for the years ended 31 March 2013 and 2014 as extracted from the annual results announcement of the Company for the year ended 31 March 2014:

Consolidated Income Statement
For the year ended 31 March 2014

	Notes	**2014** *HK$'000*	**2013** *HK$'000*
Revenue	4	524,494	429,701
Cost of sales		(393,134)	(320,049)
Gross profit		131,360	109,652
Other operating income	5	25,001	25,621
Selling and distribution costs		(12,450)	(11,695)
Administrative expenses		(112,634)	(96,870)
Other operating expenses	6	(40,754)	(2,826)
(Loss)/Profit from operations	7	(9,477)	23,882
Finance costs	8	(573)	(614)
(Loss)/Profit before income tax		(10,050)	23,268
Income tax expense	9	(2,394)	(5,455)
(Loss)/Profit for the year attributable to the equity holders of the Company		(12,444)	17,813
(Loss)/Earnings per share for (loss)/profit for the year attributable to the equity holders of the Company	11		
– Basic and diluted		(HK$1.96 cents)	HK$2.80 cents

Details of dividends attributable to the equity holders of the Company for the year are set out in note 10.

Consolidated Statement of Comprehensive Income
For the year ended 31 March 2014

	Notes	2014 HK$'000	2013 HK$'000
(Loss)/Profit for the year		(12,444)	17,813
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange (loss)/gain on translation of financial statements of foreign operations		(36)	492
Items that will not be reclassified subsequently to profit or loss:			
Revaluation surplus on leasehold land and buildings		12,548	20,128
Deferred tax charge arising from revaluation surplus on leasehold land and buildings		(2,337)	(3,438)
Impairment loss on leasehold land and buildings		(29,228)	–
Deferred tax credit arising from impairment on leasehold land and buildings		7,307	–
Other comprehensive income for the year, net of tax		(11,746)	17,182
Total comprehensive income attributable to the equity holders of the Company		(24,190)	34,995

Consolidated Statement of Financial Position
As at 31 March 2014

	Notes	As at 31 March 2014 HK$'000	2013 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		140,761	180,674
Prepaid lease payments		2,644	2,727
Investment properties		123,040	104,260
Deposit paid for acquisition of an investment property		–	11,098
Other asset		1,100	1,100
Deferred tax assets		590	251
		268,135	300,110
Current assets			
Inventories		26,504	32,149
Trade receivables	13	98,395	80,771
Prepayments, deposits and other receivables	14	40,157	10,518
Financial assets at fair value through profit or loss	15	78,251	86,107
Cash at banks and in hand		135,307	103,261
Tax recoverable		397	1,192
		379,011	313,998
Non-current assets held for sale	12	–	65,000
		379,011	378,998

		As at 31 March	
		2014	**2013**
	Notes	*HK$'000*	*HK$'000*
Current liabilities			
Trade payables	16	59,275	48,020
Accrued liabilities and other payables		43,749	36,297
Financial liabilities of fair value through profit or loss	15	1,622	550
Interest-bearing borrowings		13,618	24,504
Tax payable		8,108	7,678
		126,372	117,049
Net current assets		252,639	261,949
Total assets less current liabilities		520,774	562,059
Non-current liabilities			
Deferred tax liabilities		34,980	39,368
Net assets		485,794	522,691
EQUITY			
Equity attributable to the equity holders of the Company			
Share capital		63,535	63,535
Reserves		422,259	446,449
Proposed dividend	10	–	12,707
Total equity		485,794	522,691

Notes:

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKAS") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. The financial statements also include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. ADOPTION OF NEW OR AMENDED HKFRSs

Adoption of new or amended HKFRSs effective on or after 1 April 2013

In the current year, the Group has applied, for the first time, the following new or amended HKFRSs issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on or after 1 April 2013.

HKFRSs (Amendments)	Improvements to HKFRSs 2009-2011
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 1 (Revised)	Presentation of Items of Other Comprehensive Income
HKFRS 10	Consolidated Financial Statements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
HKAS 19 (Revised)	Employee Benefits
HKAS 27 (2011)	Separate Financial Statements
HKAS 28 (2011)	Investments in Associates and Joint Ventures

Other than as noted below, the adoption of the new or amended HKFRSs had no material impact on the Group's financial statements.

Amendments to HKAS 1 (Revised) – Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income

These amendments require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future and those that may not. The new presentation of other comprehensive income has been adopted retrospectively.

HKFRS 10 – Consolidated Financial Statements

HKFRS 10 replaces the requirements in HKAS 27 "Consolidated and Separate Financial Statements" relating to the presentation of consolidated financial statements and HK(SIC) Int 12 "Consolidation – Special Purpose Entities". It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 brings together into a single standard all the disclosure requirements relevant to an entity's interest in subsidiaries and associates. The disclosures required by HKFRS 12 are generally more extensive than those previously required by the respective standards. Disclosure of interest in subsidiaries is made in the respective note to the financial statements. The adoption of this standard did not materially affect the disclosures of the Group in the current and last years.

HKFRS 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 "Financial Instruments: Disclosures". HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance. The standard requires additional disclosures about fair value measurements and these are included in the respective notes to the financial statements. Comparative disclosures have not been presented in accordance with the transitional provisions of the standard.

New or amended HKFRSs that have been issued and have been early adopted

Amendments to HKAS 36 – Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit ("CGU") to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal. The amendments are effective for annual periods commencing on or after 1 January 2014. The Group has early adopted the amendments to HKAS 36 in the current year. The disclosures about the impairment of property, plant and equipment in the respective note to the financial statements has been modified accordingly.

New or amended HKFRSs that have been issued but not yet effective

The following new or amended HKFRSs, potentially relevant to the Group's financial statements have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
HKFRS 9	Financial Instruments
HKFRSs (Amendments)	Annual Improvements 2010-2012 Cycle[3]
HKFRSs (Amendments)	Annual Improvements 2011-2013 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 July 2014
3 Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

Amendments to HKAS 32 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity "currently has a legally enforceable right to set off" and when a gross settlement mechanism is considered equivalent to net settlement.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle

The amendments issued under the annual improvements process make small, non-urgent changes to a number of standards where they are currently unclear. Among them, HKAS 16 Property, Plant and Equipment has been amended to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to revalued amount. The accumulated depreciation may be eliminated against the gross carrying amount of the asset. Alternatively, the gross carrying amount may be adjusted in a manner consistent with the revaluation of the carrying amount of the asset and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The Group is in the process of making an assessment of the potential impact of these new or amended HKFRSs. The directors of Company do not anticipate that these new or amended HKFRSs will have any material impact on the Group's financial statements.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major business lines.

The Group has identified the following reportable segments:

(a) the manufacture and sale of paper cartons, packaging boxes and children's novelty books segment produces paper cartons, packaging boxes and children's novelty books for sale principally to manufacturers and publishers of consumer products;

(b) the manufacture and sale of hangtags, labels, shirt paper boards and plastic bags segment produces hangtags, labels, shirt paper boards and plastic bags products for sale principally to manufacturers of consumer products; and

(c) the commercial printing segment provides financial printing, digital printing and other related services;

(d) the food and beverage segment engages in the operations of restaurants.

Each of these operating segments is managed separately as each of the business lines requires different resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The executive directors assess segment reporting as those used in its HKFRS financial statements, except that certain items are not included in arriving at the operating results of the operating segments (expenses relating to finance costs, income tax and corporate income and expenses).

3.1 Business operating segments

The executive directors have identified the Group's four product and service lines as operating segments described above.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results. Details of the Group's segment information and reconciliations of the totals of the Group's operating segments to the Group's key financial figures as presented in the financial statements are stated in the following tables.

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Food & beverage		Eliminations		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*
Reportable segment revenue:												
Sales to external customers	431,071	347,681	14,651	22,377	65,425	59,643	13,347	–	–	–	524,494	429,701
Intersegment sales	1,691	4,835	1,015	72	183	258	–	–	(2,889)	(5,165)	–	–
Total	432,762	352,516	15,666	22,449	65,608	59,901	13,347	–	(2,889)	(5,165)	524,494	429,701
Reportable segment results	(8,804)	3,376	606	(700)	2,642	884	(3,736)	–	–	–	(9,292)	3,560
Unallocated income/(expenses):												
Interest income											7,477	2,981
Rental income on investment properties											4,170	3,677
Dividend income from financial assets at fair value through profit or loss											818	738
Fair value(loss)/gain on financial assets at fair value through profit or loss											(3,590)	1,253
Gain on disposal of financial assets at fair value through profit or loss											852	5,676
Impairment loss on amount due from an associate											–	(474)
Revaluation surplus on investment properties											7,713	7,566
Write off of loan receivable											(17,179)	–
Others											(446)	(1,095)
(Loss)/Profit from operations											(9,477)	23,882
Finance costs											(573)	(614)
(Loss)/Profit before income tax											(10,050)	23,268
Income tax expense											(2,394)	(5,455)
(Loss)/Profit for the year											(12,444)	17,813

	Manufacture and sale of paper cartons, packaging boxes and children's novelty books		Manufacture and sale of hangtags, labels, shirt paper boards and plastic bags		Commercial printing		Food & beverage		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*
Reportable segment asset:	258,000	282,317	4,453	3,628	16,139	18,547	4,915	–	283,507	304,492
Unallocated assets:										
Investment properties									123,040	104,260
Deposit paid for acquisition of an investment property									–	11,098
Other asset									1,100	1,100
Loan receivable									24,500	–
Non-current assets held for sale									–	65,000
Financial assets at fair value through profit or loss									78,251	86,107
Cash at banks and in hand									135,307	103,261
Others									1,441	3,790
Total assets									647,146	679,108
Reportable segment liabilities:	84,166	68,933	2,380	3,051	15,527	13,383	1,582	–	103,655	85,367
Unallocated liabilities:										
Interest bearing borrowings									13,618	24,504
Financial liabilities at fair value through profit or loss									1,622	–
Deferred tax liabilities									34,980	39,368
Others									7,477	7,178
Total liabilities									161,352	156,417
Other segment information:										
Depreciation on property, plant and equipment	14,182	12,875	398	394	419	825	1,004	–	16,003	14,094
Amortisation of prepaid lease payments	83	83	–	–	–	–	–	–	83	83
Gain on disposal of property, plant and equipment	(3)	(1,197)	(29)	–	–	–	–	–	(32)	(1,197)
Revaluation surplus on leasehold land and buildings	–	(268)	–	–	–	–	–	–	–	(268)
Provision for slow moving inventories	1,928	2,288	–	–	–	–	–	–	1,928	2,288
Reversal of over-provision of trade payables	–	–	–	–	–	(776)	–	–	–	(776)
(Reversal of)/Allowance for impairment on trade receivables	572	134	–	(192)	–	–	–	–	572	(58)
Allowance for impairment on other receivables	235	–	–	–	–	–	–	–	235	–
Write off of other receivables	22	–	–	–	–	–	–	–	22	–
Impairment loss on property, plant and equipment	9,772	–	–	–	–	–	–	–	9,772	–
Capital expenditure	6,257	3,679	414	407	361	615	3,020	–	10,052	4,701

3.2 Geographical information

The Group's revenues from, external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas.

	Hong Kong (domicile)		PRC except Hong Kong		USA		Europe and other countries		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*
Reportable segment revenue:										
Sales to external customers	326,443	275,315	70,262	31,462	91,032	85,777	36,757	37,147	524,494	429,701
Non-current assets	96,466	93,876	171,079	205,983	–	–	–	–	267,545	299,859

The geographical location of customers is based on the location at which the customers operate. In the past, geographical location of customers was based on the location at which the services were provided or goods are delivered. In the current year, the directors considered that presenting the geographical information based on the location at which the customers operate is more representative in order to facilitate their regular internal review. Accordingly, the comparative figures of the revenue from customers by geographical areas have been amended to conform with the current year's presentation. The geographical location of the non-current assets is based on the physical location of the asset.

3.3 Information about major customers

Revenue from major customer who has individually contributed to 10% or more of the total revenue of the Group is disclosed as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Customer A	76,753	72,113

The customer is included in the manufacture and sale of paper cartons and packaging boxes segment.

4. REVENUE

Revenue, which is also the Group's turnover, represents the invoiced value of goods sold, after allowances for returns and trade discounts, and services rendered arising from the principal activities of the Group during the year after eliminations of all significant intra-group transactions.

	2014	**2013**
	HK$'000	*HK$'000*
Sales of goods	459,069	370,058
Rendering of services	65,425	59,643
	524,494	429,701

5. OTHER OPERATING INCOME

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Interest income	7,477	2,981
Rental income on investment properties	4,170	3,677
Revaluation surplus on leasehold land and buildings	–	268
Revaluation surplus on investment properties	7,713	7,566
Reversal of impairment of trade receivables	–	58
Reversal of over-provision of trade payables	–	776
Dividend income from financial assets at fair value through profit or loss	818	738
Fair value gain on financial assets at fair value through profit or loss	–	1,253
Gain on disposal of financial assets at fair value through profit or loss	852	5,676
Gain on disposal of property, plant and equipment	32	1,197
Sundry income	3,939	1,431
	25,001	25,621

6. OTHER OPERATING EXPENSES

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Impairment loss on amount due from an associate	–	474
Write off of property, plant and equipment	7,456	–
Allowance for impairment		
– trade receivables	572	–
– other receivables	235	–
Write off of other receivables	22	–
Loss on cessations of business	–	64
Fair value loss on financial assets at fair value through profit or loss	3,590	–
Provision for slow moving inventories	1,928	2,288
Impairment loss on loan receivable *(note 14)*	17,179	–
Impairment loss on property, plant and equipment	9,772	–
	40,754	2,826

Due to the proposed disposal of certain subsidiaries as described in note 17 (ii) (a), there was an indication that the carrying amount of the non-current assets of the disposal group which mainly attributable to the segment for manufacture and sale of paper cartons, packaging boxes and children's novelty books and food and beverage segment might be impaired. As a result, impairment loss of approximately HK$9.8 million has been identified and recognised in the segment of manufacture and sale of paper cartons, packaging boxes and children's novelty books as at 31 March 2014.

7. (LOSS)/PROFIT FROM OPERATIONS

The Group's (loss)/profit from operations is arrived at after charging/(crediting):

	2014	2013
	HK$'000	*HK$'000*
Amortisation of prepaid lease payments[(a)]	83	83
Auditor's remuneration	1,257	850
Cost of inventories sold	373,559	300,108
Cost of services rendered	19,575	19,941
Depreciation of property, plant and equipment[(b)]	16,003	14,094
Exchange loss, net	676	1,176
Gain on disposal of property, plant and equipment[(f)]	(32)	(1,197)
Impairment loss on loan receivable[(f)] *(note 14)*	17,179	–
Impairment loss on amount due from an associate[(f)]	–	474
Provision for slow moving inventories[(f)]	1,928	2,288
Fair value loss/(gain) on financial assets at fair value through profit or loss[(f)]	3,590	(1,253)
Gain on disposal of financial assets at fair value through profit or loss[(f)]	(852)	(5,676)
Gross rental income on investment properties	(4,170)	(3,677)
Less: Outgoing expenses	42	15
Net rental income on investment properties	(4,128)	(3,662)
Operating lease charges on land and buildings[(c)]	12,995	10,417
Allowance for/(Reversal of) impairment[(f)]		
– trade receivables	572	(58)
– other receivables	235	–
Write off of trade receivable[(f)]	22	–
Reversal of over-provision of trade payables	–	(776)
Write off of property, plant and equipment[(f)]	7,456	–
Impairment loss on property, plant and equipment[(f)]	9,772	–
Revaluation surplus on leasehold land and buildings[(f)]	–	(268)
Revaluation surplus on investment properties[(f)]	(7,713)	(7,566)
Staff costs (excluding directors' remuneration)		
Wages and salaries[(d)]	104,816	85,522
Pension scheme contributions[(e)]	7,962	4,476

(a) Amortisation of prepaid lease payments of HK$83,000 (2013: HK$83,000) has been expensed in cost of sales.

(b) Depreciation on property, plant and equipment of HK$13,671,000 (2013: HK$11,640,000) has been expensed in cost of sales and HK$2,332,000 (2013: HK$2,454,000) in administrative expenses.

(c) Operating lease charges on land and buildings of HK$3,284,000 (2013: HK$844,000) has been expensed in cost of sales and HK$9,711,000 (2013: HK$9,573,000) in administrative expenses.

(d) Wages and salaries of HK$54,035,000 (2013: HK$39,996,000) has been expensed in cost of sales and HK$50,781,000 (2013: HK$45,526,000) in administrative expenses.

(e) Pension scheme contributions of HK$960,000 (2013: HK$461,000) has been expensed in cost of sales and HK$7,002,000 (2013: HK$4,015,000) in administrative expenses.

(f) Included in other operating (income)/expenses.

8. FINANCE COSTS

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Interest charges on overdrafts, bank and other borrowings		
– wholly repayable within five years	396	482
– not wholly repayable within five years	177	132
	573	614

9. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2013: 16.5%) on the estimated assessable profits for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

PRC Enterprise Income Tax has been provided on the estimated assessable profits of subsidiaries operating in the PRC at 25% (2013: 25%).

Land appreciation tax is estimated according to the requirements in relevant PRC tax laws and regulations. Land appreciation tax has been provided at ranges of progressive rates of the appreciation value.

Deferred tax is accounted for using the balance sheet liabilities method at a rate of 16.5% (2013: 16.5%) in Hong Kong or the tax rates prevailing in the countries in which the Group operates.

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Current tax – Hong Kong		
Tax expense for the year	1,574	747
Over provision in respect of prior years	(42)	(111)
	1,532	636
Current tax – overseas		
Tax expense for the year	619	2,704
Deferred tax		
Tax expense for the year	243	2,115
Income tax expense	2,394	5,455

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

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
(Loss)/Profit before income tax	(10,050)	23,268
Tax on (loss)/profit before income tax, calculated at the rates applicable to (loss)/profit in the tax jurisdiction concerned	(2,160)	4,816
Tax effect on non-deductible expenses	3,504	958
Tax effect on non-taxable revenue	(2,624)	(1,235)
Tax effect of utilisation of tax losses not previously recognised	(2)	(646)
Tax effect on tax loss not recognised	806	279
Land appreciation tax on investment properties	3,883	1,859
Tax effect of land appreciation tax	(971)	(465)
Over provision in prior years	(42)	(111)
Income tax expense	2,394	5,455

10. DIVIDENDS

(a) Dividends attributable to the year

	2014	**2013**
	HK$'000	*HK$'000*
Proposed final dividend of nil (2013: HK2 cents) per ordinary share	–	12,707

The final dividend proposed after the reporting date was not recognised as a liability at the reporting date but reflected as an appropriation of retained earnings for the year ended 31 March 2013.

(b) Dividends attributable to the previous financial year, approved and paid during the year

	2014	**2013**
	HK$'000	*HK$'000*
Final dividend in respect of the previous financial year of HK2 cents (2013: HK2 cents) per ordinary share	12,707	12,707

11. (LOSS)/EARNINGS PER SHARE

The calculation of basic (loss)/earnings per share is based on loss attributable to the owners of the Company of 12,444,000 (2013: profits of HK$17,813,000) and on the weighted average number of ordinary shares of 635,353,119 (2013: 635,353,119) in issue during the year.

There are no dilutive potential shares in both years of 2014 and 2013.

12. NON-CURRENT ASSETS HELD FOR SALE

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
At end of year	–	65,000

Non-current assets are classified as assets held for sale and stated at the lower of their carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition. Impairment losses on non-current assets held for sale are recognised in the profit or loss.

On 26 March 2011, the Group entered into an acquisition agreement (the "Acquisition Agreement") with Fullpower Investment Holdings Corp. ("Fullpower") to conditionally acquired 25% equity interest in Suntap Enterprises Ltd. ("Suntap"), which indirectly holds two coalbed methane gas projects in the PRC, at a consideration comprising HK$41,000,000 in cash and the issuance of 28,600,000 new shares to Fullpower by the Company. Details of the acquisition are laid out in the announcement made by the Company on 28 March 2011. As part and parcel of the acquisition of the interest in Suntap, the Group had advanced a loan of RMB20,000,000 (the "Loan") to Suntap after the acquisition.

According to the Acquisition Agreement, a repurchase option was granted to Fullpower pursuant to which Fullpower has the right to repurchase 25 % equity interest in Suntap sold to the Group, together with the Loan, at a total consideration of HK$65,000,000 in cash, in certain circumstances, including but not limited to, the Company demanding for the repayment of the Loan from Suntap. On 30 March 2012, Fullpower exercised the right stated in the Acquisition Agreement to repurchase the interest in Suntap, together with the Loan, at a total consideration of HK$65,000,000 (the "Repurchase"). The Repurchase had not been completed as at 31 March 2012 and the carrying amount of the interest in this associate of HK$56,413,000 and the Loan of HK$24,630,000 were classified as a disposal group held for sale. Accordingly, an impairment loss of HK$16,043,000 was charged to the profit or loss during the year ended 31 March 2012. Details of the Repurchase are laid out in the annual report of the Company for the year ended 31 March 2013.

The Repurchase was completed on 26 April 2013 with settlement by HK$25,000,000 in cash and HK$40,000,000 in a loan granted to Fullpower. In conjunction with the completion of the Repurchase of the 25% equity interest in and the Loan to Suntap, the Group, Fullpower and a shareholder of Fullpower, Mr. Wong Sin Hua ("Mr. Wong") entered into the loan agreement of HK$40,000,000 (the "Loan Receivable" in note 14) with interest bearing at the rate of 10% per annum to facilitate the completion of the Repurchase. The Loan Receivable was repayable on 31 December 2013, with personal guarantee given by Mr. Wong and secured by 16,667 shares of Fullpower held by Mr. Wong, representing approximately 33.33% of the entire issued share capital in Fullpower held by Mr. Wong, and 28,600,000 shares of the Company held by Fullpower. The Company received cash consideration of HK$25,000,000 which is equivalent to RMB20,060,000 on 26 April 2013. Details of completion of the Repurchase are laid out in the announcement made by the Company on 28 April 2013.

13. TRADE RECEIVABLES

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Trade receivables	99,965	81,879
Less: Allowance for impairment of receivables	(1,570)	(1,108)
Trade receivables – net	98,395	80,771

Trade receivables generally have credit terms of 30 to 120 days (2013: 30 to 120 days). The directors of the Group consider that the fair values of trade receivables which are expected to be recovered within one year are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

At 31 March 2014, the aging analysis of the trade receivables, based on invoiced date and net of allowance, is as follows:

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Current to 30 days	46,934	42,975
31 to 60 days	20,132	17,059
61 to 90 days	18,181	11,982
Over 90 days	13,148	8,755
	98,395	80,771

Included in trade receivables are the following amounts denominated in a currency other than the functional currency of the entities to which they relate:

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Euro ("EUR")	49	78
US dollars ("US$")	21,914	21,999

The movement in the allowance for impairment of trade receivables is as follows:

	2014	**2013**
	HK$'000	*HK$'000*
Carrying amount at beginning of year	1,108	1,311
Allowance for impairment loss of prior year written off against trade receivables	(110)	(145)
Allowance for impairment loss charged to the profit or loss	572	–
Reversal of impairment loss credited to the profit or loss	–	(58)
Carrying amount at end of year	1,570	1,108

At each of the reporting date, the Group reviews trade receivables for evidence of impairment on both individual and collective basis. The impaired receivables are recognised based on the credit history of its customers, indication of financial difficulties, default in payments, and current market conditions. Consequently, specific impairment allowance was recognised. The Group does not hold any collateral over these balances.

As at 31 March 2014, the Group's trade receivables of HK$1,570,000 (2013: HK$1,108,000) were fully made for allowance for impairment. The impaired receivables mainly relate to customers that were in financial difficulties and management assessed that the entire amount of the receivable balances is unlikely to be recovered.

The aging analysis of trade receivables by past due date that are neither individually nor collectively considered to be impaired are as follows:

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Not past due	70,334	48,107
Unimpaired but past due		
Not more than 30 days	19,779	21,687
31 to 60 days	2,614	8,944
61 to 90 days	2,589	664
Over 90 days	3,079	1,369
	98,395	80,771

As at 31 March 2014, trade receivables of HK$70,334,000 (2013: HK$48,107,000) were neither past due nor impaired. These related to a large number of diversified customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a number of customers that the Group had continuing business relationships with these customers including sales to and settlements from these customers in general, which in the opinion of the directors have no indication of default. Based on past credit history, 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 to be fully recoverable. The Group did not hold any collateral in respect of trade receivables past due but not impaired.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

As at 31 March 2014, prepayments, deposits and other receivables included the Loan Receivable of HK$40,000,000 before write off as stated below as a results of the Repurchase as stated in note 12 of this results announcement.

For the year ended 31 March 2014, the Loan Receivable of HK$40,000,000 generated interest income of approximately HK$2,700,000 (based on the interest rate of 10% per annum for the period from 26 April 2013 to 31 December 2013), of which approximately HK$1,000,000 was paid by Fullpower in July 2013.

As at 31 March 2014, a write off of HK$17,179,000 (note 6) in respect of the Loan Receivable and accumulated interest receivable was made as it was determined as irrecoverable due to the subsequent disposal as described in note 17(i). This has resulted in a carrying amount of HK$24,500,000 as at 31 March 2014.

15. FINANCIAL ASSETS/LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Hong Kong listed equity investments	3,977	2,610
Hong Kong unlisted debt investments	53,171	46,142
Hong Kong unlisted currency notes	91	61
Hong Kong unlisted equity linked notes	–	1,957
Hong Kong unlisted commodity linked notes	–	1,458
Overseas listed equity investments	506	1,693
Overseas unlisted fund investments	20,506	18,932
Overseas unlisted debt investments	–	13,254
	78,251	86,107

Financial liabilities

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Hong Kong unlisted currency notes	(1,622)	(550)

The above financial assets/liabilities are classified as held for trading.

16. TRADE PAYABLES

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Trade payables	59,275	48,020

At 31 March 2014, the aging analysis of the trade payables, based on invoiced date, is as follows:

	Group	
	2014	**2013**
	HK$'000	*HK$'000*
Current to 30 days	27,383	24,796
31 to 60 days	10,401	7,493
61 to 90 days	8,403	7,678
Over 90 days	13,088	8,053
	59,275	48,020

All amounts are short term and hence the carrying values of the Group's trade payables are considered to be a reasonable approximation of fair value.

17. EVENTS AFTER REPORTING DATE

(i) On 30 April 2014, the board announced that Peace Broad Holdings Limited and Mr. Lo Ming Chi, Charles ("Mr. Lo") entered into the Loan Disposal Agreement, pursuant to which Peace Board agreed to sell and assign, and Mr. Lo agreed to purchase and accept the assignment of, all rights, title, benefits and interests of and in the loan of Fullpower. The disposal of the Loan Receivable was completed on 30 April 2014 with settlement by HK$24,500,000 in cash.

(ii) On 26 May 2014, the Company has published a circular (the "Circular") regarding a proposed share premium reduction ("Share Premium Reduction") and special distribution ("Special Distribution") and connected transactions, very substantial disposal and special deal in relation to the sale and purchase of Brilliant Stage Holdings Limited ("Brilliant Stage") which includes but not limited to the following transactions.

(a) A sale and purchase agreement (the "Asset Reorganisation Agreement") was entered into between the Company and Harmony Link Corporation ("Harmony Link") on 27 February 2014, pursuant to which the Company conditionally agrees to sell and Harmony Link conditionally agrees to purchase the entire issued share capital of the Brilliant Stage for a cash consideration of HK$180,000,000.

(b) On 26 February 2014, Harmony Link, Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui (directors of the Company) (the "Vendors") and Manureen Holdings Limited (the "Offeror") entered into a share sale agreement ("Share Sale Agreement") in which the Vendors agreed to sell and procure Ms Aman Ng (spouse of Mr. Victor Lui) to sell, and the Offeror agreed to purchase an aggregate of 338,331,036 shares of the Company, representing approximately 53.25% of the entire issued share capital of the Company; and

(c) Proposed declaration of Special Distribution (HK$0.50 per share) to the shareholders of the Company. The Special Distribution is conditional on the Share Premium Reduction which involves (i) the cancellation of a sum of HK$107.4 million standing to the credit of the Company's share premium account; and (ii) the application of the entire amount standing thereto to fund part of the Special Distribution or the transfer of the entire amount standing thereto to the contributed surplus account of the Company to be used in any manner permitted by the laws of Bermuda and the bye-laws of the Company.

The above-mentioned transactions were approved by the independent shareholders or shareholders, where applicable, at a special general meeting ("SGM") held on 11 June 2014.

(iii) As at the date of this announcement, the disposal of Brilliant Stage is yet to complete. However, the directors of the Company expected that this will soon to be completed in due course. The net asset value of Brilliant Stage and its subsidiaries as at 31 March 2014 is HK$186.2 million.

4. STATEMENT OF INDEBTEDNESS

As of the close of business on 31 March 2014, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Composite Offer Document, the Group had outstanding bank borrowings of HK$13,618,000 which were secured by the corporate guarantees issued by the Company and are secured by the pledge of certain land and buildings under property, plant and equipment and investment properties with net carrying amounts of HK$37,610,000 and HK$27,400,000 respectively.

Save as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have, as at the close of business on 31 March 2014, any loan capital, issued and outstanding or agreed to be issued, bank overdrafts, loans, charges, debentures or other similar indebtedness, liabilities under acceptances (other than normal trade bills), acceptance credits, mortgages, hire purchase or finance lease commitments, guarantees or other material contingent liabilities.

5. MATERIAL CHANGES

On 27 February 2014, the Company and Harmony Link entered into the Asset Reorganisation Agreement, pursuant to which the Company conditionally agreed to sell, and Harmony Link conditionally agreed to purchase or procure its nominee to purchase, the Brilliant Stage Shares at a consideration of HK$180 million. The Asset Reorganisation was completed on 20 June 2014. Details of the Asset Reorganisation were disclosed in the Disposal Circular.

The Board implemented the share premium reduction which became effective at 5:00 p.m. on 11 June 2014, as a result of which the entire sum of approximately HK$107.4 million standing to the credit of the Company's share premium account was cancelled and the entire amount standing thereto will be applied to fund part of the Special Distribution. Details of the share premium reduction were disclosed in the Disposal Circular.

On 23 April 2014, the Board announced the declaration of the Special Distribution of HK$0.50 per Share, representing an aggregate amount of approximately HK$317.7 million. Those Shareholders whose names appear on the register of members of the Company at 4:30 p.m. on 18 June 2014 were entitled to the Special Distribution, which will be paid to the relevant Shareholders in cash on or about 4 July 2014.

On 30 April 2014, Peace Broad disposed of the Fullpower Loan to Mr. Lo Ming Chi, Charles at a cash consideration of HK$24.5 million, details of which were disclosed in the announcement of the Company dated 30 April 2014.

Save for the above, the Directors confirm that there has been no material change in the financial or trading position or outlook of the Group since 31 March 2014 (being the date to which the latest published audited financial statements of the Group were made up) up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

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

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Offer Document (other than information relating to the Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Offer Document (other than opinions expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Offer Document, the omission of which would make any statement in this Composite Offer Document misleading.

2. SHARE CAPITAL OF THE COMPANY

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

		HK$
Authorised		
800,000,000	Shares	80,000,000.00
Issued and fully paid		
635,353,119	Shares	63,535,311.90

All existing issued Shares rank equally in all respects, including in particular as to dividend, voting rights and capital.

The Company had not issued any Share since 31 March 2014 (being the date to which the latest published audited financial statements of the Group were made up) and up to and including the Latest Practicable Date.

As at the Latest Practicable Date, the Company had no outstanding options, derivatives, warrants or conversion rights affecting the Shares.

3. DISCLOSURE OF INTERESTS IN THE COMPANY

As at the Latest Practicable Date, details of interests in the Shares, underlying Shares, debentures or other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company held or controlled by the Offeror and parties acting in concert with it were as follows:

Name	Number of Shares held	Approximate % of interest
The Offeror *(Note)*	338,331,036	53.25%

Note: The Offeror is owned as to 70% by Mr. Lin and as to 30% by Madam Su, and Mr. Lin and Madam Su are the directors of the Offeror.

Save as disclosed above, as at the Latest Practicable Date, none of the Offeror and parties acting in concert with it had any interest in the relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

4. DISCLOSURE OF OTHER INTERESTS AND DEALINGS IN SECURITIES

The Company

(i) As at the Latest Practicable Date, the Company was not interested in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror, and had not dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Offeror during the Relevant Period.

(ii) As at the Latest Practicable Date, none of the Directors were interested in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror. Save for the entering into of the Share Sale Agreement, none of the Directors had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror during the Relevant Period.

(iii) As at the Latest Practicable Date, none of the subsidiaries of the Company, the pension fund of the Company or of its subsidiaries, or the adviser to the Company as specified in class (2) of the definition of "associate" under the Takeovers Code owned or controlled any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, or had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

(iv) As at the Latest Practicable Date, no person had any 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.

(v) As at the Latest Practicable Date, there was no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which were managed on a discretionary basis by fund managers connected with the Company, and none of them had dealt for value in any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the Relevant Period.

(vi) As at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer.

(vii) As at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

(viii) As at Latest Practicable Date, no benefit had been or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer.

(ix) As at the Latest Practicable Date, there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of Offer or otherwise connected with the Offer.

(x) As at the Latest Practicable Date, save for the Share Sale Agreement to which Mr. Brian Lui, Mr. SC Lui and Mr. Victor Lui were parties, the Offeror had not entered into any material contract in which any Director had a material personal interest.

The Offeror

As at the Latest Practicable Date:

(i) Save for 338,331,036 Shares (representing approximately 53.25% of the entire issued share capital of the Company) owned by the Offeror, the Offeror as well as Mr. Lin and Madam Su (who are the beneficial owner and directors of the Offeror) did not hold other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;

(ii) save for the Emperor Securities Facility granted by Emperor Securities to the Offeror, there was no agreement, arrangement or understanding that any securities acquired in pursuance of the Offer would be transferred, charged or pledged to any other persons;

(iii) none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them has received any irrevocable commitment to accept the Offer;

(iv) no benefit (other than statutory compensation) was or would be given to any Director as compensation for his loss of office or otherwise in connection with the Offer;

(v) save for the Emperor Securities Facility granted to the Offeror by Emperor Securities, there is no agreement or arrangement to which the Offeror 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 Offer;

(vi) there was no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or any party acting in concert with it on one hand and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offer; and

(vii) save for the Emperor Securities Facility granted to the Offeror by Emperor Securities, there is no other arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer.

During the Relevant Period, save for the Emperor Securities Facility as disclosed above, none of the Offeror, its ultimate beneficial owners and parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contracts with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed-term contracts) have been entered into or amended within 6 months preceding the commencement of the Offer Period; (ii) are continuous contracts with a notice period of 12 months or more; or (iii) are fixed-term contracts with more than 12 months to run irrespective of the notice period.

6. MATERIAL CONTRACTS

The following contracts (not being a contract entered into in the ordinary course of business carried on or intended to be carried on by the Group) have been entered into by the Group after the date falling two years prior to 16 January 2014, being the date of commencement of the Offer Period up to and including the Latest Practicable Date:

(i) the Fullpower Loan Agreement;

(ii) the Asset Reorganisation Agreement; and

(iii) the agreement dated 30 April 2014 entered into between Peace Broad and Mr. Lo Ming Chi, Charles in relation to the disposal of the Fullpower Loan at a cash consideration of HK$24.5 million.

7. MATERIAL LITIGATION

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 claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MARKET PRICES

The table below sets out the closing prices of the Shares as quoted on the Stock Exchange on the Latest Practicable Date and the last trading day of each of the calendar months during the Relevant Period on which trading of the Shares took place:

Date	**Closing prices of Shares** *(HK$)*
31 July 2013	0.395
30 August 2013	0.375
30 September 2013	0.415
31 October 2013	0.47
29 November 2013	0.465
31 December 2013	0.46
30 January 2014	1.11
24 February 2014 (Last Trading Day)	1.30
31 March 2014	suspended
30 April 2014	1.18
30 May 2014	1.38
25 June 2014 (Latest Practicable Date)	0.79

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the Relevant Period were HK$1.38 per Share on 30 May 2014 and HK$0.34 per Share on 12 August 2013, respectively.

9. EXPERTS AND CONSENTS

The followings are the qualifications of the experts who have given opinion or advice contained in this Composite Offer Document.

Name	Qualification(s)
Emperor Capital	a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO which is making the Offer on behalf of the Offeror and the financial adviser to the Offeror in respect of the Offer
Veda	a corporation licensed to carry out type 6 (advising on corporate finance) regulated activities under the SFO and being the independent financial adviser to the Independent Board Committee

As at the Latest Practicable Date, neither Emperor Capital nor Veda had any shareholding interest 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.

Each of Emperor Capital and Veda has given and has not withdrawn their respective written consents to the issue of this Composite Offer Document with the inclusion of their respective letter and references to their respective name in the form and context in which they appear respectively.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection (i) at the principal place of business of the Company in Hong Kong from 9:00 a.m. to 6:00 p.m. on any Business Day; and (ii) on the website of the SFC (www.sfc.hk) and the Company (www.cheongming.com) from the date of this Composite Offer Document up to and including the Closing Date:

(i) the bye-laws of the Company valid as at the Latest Practicable Date;

(ii) the memorandum and articles of association of the Offeror valid as at the Latest Practicable Date;

(iii) the annual results announcement of the Company for the year ended 31 March 2014;

(iv) the annual reports of the Company for each of the two years ended 31 March 2012 and 2013;

(v) the letter from Emperor Capital, the text of which is set out on pages 7 to 15 of this Composite Offer Document;

(vi) the letter from the Board, the text of which is set out on pages 16 to 20 of this Composite Offer Document;

(vii) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on page 21 of this Composite Offer Document;

(viii) the letter of advice from Veda to the Independent Board Committee, the text of which is set out on pages 22 to 39 of this Composite Offer Document;

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

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

(xi) the loan agreement dated 10 March 2014 and the supplemental loan agreement dated 27 March 2014 in relation to the loan facility provided by Emperor Securities to the Offeror to acquire the Sale Shares and for the Offer.

11. GENERAL

As at the Latest Practicable Date:

(i) the office address of the Offeror was 23/F., No.1 Des Voeux Road West, Hong Kong;

(ii) the address of Mr. Lin and Madam Su, who are the beneficial owners and directors of the Offeror, was Flat D, 32/F, Tower 1, Central Park Towers, 2 Tin Yan Road, Tin Shui Wai, New Territories, Hong Kong;

(iii) the registered office of Emperor Capital was situated at 28/F, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong;

(iv) the registered office of Veda was situated at Suite 3711, 37/F., Tower 2, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong; and

(v) in the event of inconsistency, the English texts of this Composite Offer Document and the Form of Acceptance shall prevail over their respective Chinese texts.