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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Vico International Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**Vico International Holdings Limited**  
**域高國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1621)**

**MAJOR TRANSACTION  
IN RELATION TO  
ACQUISITION OF PROPERTY**

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## DEFINITIONS

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*Unless the context otherwise requires, terms or expressions used in this circular shall have the meanings ascribed to them below:*

|                                |                                                                                                                                                                                                            |
|--------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Acquisition”                  | the acquisition of the Property by the Purchaser from the Vendor pursuant to the Agreement                                                                                                                 |
| “Agreement”                    | the sale and purchase agreement dated 25 July 2018 entered into between the Purchaser and the Vendor in relation to the Acquisition                                                                        |
| “Announcement”                 | the announcement of the Company dated 25 July 2018 in relation to, among other things, the Agreement                                                                                                       |
| “close associate(s)”           | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                   |
| “associate(s)”                 | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                   |
| “Board”                        | the board of Directors                                                                                                                                                                                     |
| “Company”                      | Vico International Holdings Limited 域高國際控股有限公司 (Stock Code: 1621), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on main board of the Stock Exchange |
| “Completion”                   | the completion of the Acquisition in accordance with the terms and conditions of the Agreement                                                                                                             |
| “connected person(s)”          | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                   |
| “Consideration”                | HK\$49,000,000, being the total consideration payable to the Vendor by the Purchaser for the Acquisition                                                                                                   |
| “controlling shareholder”      | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                   |
| “Director(s)”                  | the director(s) of the Company                                                                                                                                                                             |
| “Group”                        | the Company and its subsidiaries                                                                                                                                                                           |
| “HK\$”                         | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                                        |
| “Hong Kong”                    | the Hong Kong Special Administrative Region of the People’s Republic of China                                                                                                                              |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)                                                                          |

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## DEFINITIONS

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|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Latest Practicable Date” | 15 August 2018, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication                                                                                                                                                                                               |
| “Listing”                 | the listing of the Shares on the Stock Exchange on 5 March 2018                                                                                                                                                                                                                                                                                         |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange                                                                                                                                                                                                                                                                                     |
| “Max Fortune”             | Max Fortune Holdings Limited 駿朗控股有限公司, a company incorporated under the laws of the British Virgin Islands with limited liability and a controlling shareholder (as defined under the Listing Rules) of the Company, which is owned by Mr. Eric Hui, Mr. Hui and Ms. Tong, the executive Directors of the Company, as to 30%, 35% and 35%, respectively |
| “Mr. Eric Hui”            | Mr. HUI Yip Ho Eric, an executive Director, the chief executive officer and a controlling shareholder                                                                                                                                                                                                                                                   |
| “Mr. Hui”                 | Mr. HUI Pui Sing, an executive Director, chairman of the Board and a controlling shareholder                                                                                                                                                                                                                                                            |
| “Ms. Tong”                | Ms. TONG Man Wah, an executive Director and a controlling shareholder                                                                                                                                                                                                                                                                                   |
| “Property”                | G/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories, Hong Kong                                                                                                                                                                                                                            |
| “Purchaser”               | Tiger Champion Limited 虎卓有限公司, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company                                                                                                                                                                                                        |
| “SFO”                     | the Securities and Futures Ordinance                                                                                                                                                                                                                                                                                                                    |
| “Share(s)”                | ordinary share(s) in the share capital of the Company                                                                                                                                                                                                                                                                                                   |
| “Shareholders”            | holder(s) of the Share(s)                                                                                                                                                                                                                                                                                                                               |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited                                                                                                                                                                                                                                                                                                                 |
| “subsidiary(ies)”         | has the meaning ascribed thereto under the Listing Rules                                                                                                                                                                                                                                                                                                |
| “Vendor”                  | Champion Land International Limited 卓聯國際有限公司, a company incorporated in Hong Kong with limited liability                                                                                                                                                                                                                                                |
| “%”                       | per cent.                                                                                                                                                                                                                                                                                                                                               |



**Vico International Holdings Limited**  
**域高國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1621)**

*Executive Directors:*

Mr. HUI Pui Sing  
Ms. TONG Man Wah  
Mr. HUI Yip Ho Eric  
Ms. HUI Wing Man Rebecca  
Mr. KONG Man Ho

*Registered Office:*

Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman, KY1-1111  
Cayman Islands

*Non-executive Director:*

Mr. ONG Chor Wei

*Head Office and Principal Place of  
Business in Hong Kong:*

Unit D, 11/F  
Billion Plaza II  
No.10 Cheung Yue Street  
Cheung Sha Wan  
Hong Kong

*Independent Non-executive Directors:*

Mr. LAM Kwong Siu  
Mr. TSE Yung Hoi  
Mr. WONG Hei Chiu

20 August 2018

*To the Shareholders*

Dear Sir/Madam,

**MAJOR TRANSACTION  
IN RELATION TO  
ACQUISITION OF PROPERTY**

**INTRODUCTION**

Reference is made to the Announcement in relation to the Acquisition. On 25 July 2018, the Purchaser, an indirect wholly-owned subsidiary of the Company, and the Vendor entered into the Agreement, pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Property at the consideration of HK\$49,000,000.

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## LETTER FROM THE BOARD

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As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company under the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) further details of the Acquisition, and (ii) the valuation report of the Property.

### **AGREEMENT**

Major terms of the Agreement are set out below.

#### **Date**

25 July 2018

#### **Parties**

- (1) Champion Land International Limited, as Vendor; and
- (2) Tiger Champion Limited, as Purchaser.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owners is an Independent Third Party.

#### **Property to be acquired**

Pursuant to the Agreement, the Vendor has agreed to sell, and the Purchaser has agreed to purchase the Property.

The Property is a warehouse located at G/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories, Hong Kong with a saleable floor area of approximately 9,256 square feet. The Property shall be sold to the Purchaser on an “as is” basis.

As at the date of the Agreement and the Latest Practicable Date, the Property was not subject to any tenancy.

#### **Consideration and payment**

The consideration for the Acquisition is HK\$49,000,000 and shall be paid or paid by the Purchaser to the Vendor in the following manner:

- (a) a deposit and part payment of the Consideration in the amount of HK\$4,900,000 (the “**Deposit**”) was paid to the Vendor's solicitors as stakeholder upon the signing of the Agreement; and

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## LETTER FROM THE BOARD

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- (b) the balance of the Consideration in the amount of HK\$44,100,000 shall be paid by the Purchaser to the Vendor upon the Completion.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, among others, the valuation of the Property of HK\$52,000,000 as at 6 August 2018 carried out by Prudential Surveyors (Hong Kong) Limited, an independent surveyor to the Company. The valuer valued the Property by direct comparison method which takes into account comparable properties with similar character, facing aspect, size, view, floor level, location and building facilities. For further details, please refer to the valuation report in Appendix III to this circular.

It is expected that approximately 83% (i.e. HK\$40,600,000) of the Consideration will be financed by the proceeds from the share offer of the Company in connection with the Listing, while approximately 17% (i.e. HK\$8,400,000) of the Consideration will be financed by the internal resources of the Group.

### **Failure of Completion**

If the Purchaser (other than due to the default of the Vendor) fails to complete the Acquisition in accordance with the terms and conditions of the Agreement, any Deposit paid by the Purchaser shall be absolutely forfeited to the Vendor who may thereupon, by notice given to the Purchaser but without tendering an assignment to the Purchaser, rescind the sale and to recover from the Purchaser liquidated damages and further damages and/or loss. Notwithstanding the aforesaid, if the Purchaser fails to complete the Acquisition for failing to obtain the shareholders' approval or other necessary approval as required under the Listing Rules in connection with the entering into and performance of the terms of the Agreement before the stipulated date, the Deposit paid by the Purchaser shall be refunded and the Purchaser shall settle any stamp duty arising from the Agreement and the legal fees incurred by the Vendor in connection with the Agreement.

If the Vendor (other than due to the default of the Purchaser) fails to complete in accordance with the terms and conditions of the Agreement, any Deposit paid shall forthwith be returned to the Purchaser but without prejudice to the right of the Purchaser to recover from the Vendor such damages which the Purchaser may sustain by reason of the failure on the part of the Vendor to complete and it shall not be necessary for the Purchaser to tender an assignment to the Vendor.

The Vendor or the Purchaser is not prevented from bringing an action and obtaining a decree for specific performance either in lieu of or in addition to the aforesaid damages.

### **Completion**

Subject to the satisfaction of the conditions to the Agreement, the Completion shall take place on or before 7 September 2018.

### **Vacant Possession**

Vacant possession of the Property shall be given to the Purchaser upon Completion.

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## LETTER FROM THE BOARD

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### **Stamp Duty**

All ad valorem stamp duty on the Agreement shall be borne by the Purchaser.

### **INFORMATION ON THE VENDOR**

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is a company incorporated in Hong Kong and is principally engaged in property investment.

### **INFORMATION ON THE GROUP AND THE PURCHASER**

The Group is principally engaged in the distribution of third-party branded petrochemicals, the sales of its self-branded lubricant oil and provision of fleet cards service in Hong Kong.

The Purchaser is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment holding.

### **REASONS AND BENEFITS OF THE ACQUISITION**

As the Company plans to accelerate its organic growth by improving its capacity of producing self-branded lubricant oil (especially the lubricant oil for automotive use), the Directors believe that the Property would serve as a new site with storage facility to place equipment and tools and repackaging of its self-branded products. As the Group intends to hold the Property for self-use, the Directors do not consider the Property a revenue-generating asset.

The Directors consider that the terms of the Agreement are on normal commercial terms, are fair and reasonable and the Acquisition is in the interests of the Company and its shareholders as a whole.

### **FINANCIAL EFFECTS OF THE ACQUISITION**

Based on the unaudited pro forma statement of assets and liabilities of the Group as set out in Appendix II to this circular, it is expected that upon Completion, there will be an increase in total assets of approximately HK\$nil, comprising an increase in property, plant and equipment of approximately HK\$54,155,000 (representing the sum of the Consideration, agency fee, stamp duty and other expenses incurred for the Acquisition), and netted-off by a decrease in bank balances and cash of HK\$54,155,000. The Group expects the Acquisition will increase the annual depreciation charges by approximately HK\$1,641,061.

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## LETTER FROM THE BOARD

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### LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition under the Agreement are more than 25% but less than 100%, the Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisition. As such, no Shareholders is required to abstain from voting if an extraordinary general meeting is convened for the approval of the Acquisition.

Pursuant to Rule 14.44 of the Listing Rules, a written shareholders' approval may be accepted in lieu of holding a general meeting. Max Fortune, being the controlling shareholder (as defined under the Listing Rules) of the Company holding 720,000,000 Shares, which represent 72% of the total number of issued Shares as at the date of the Announcement and the Latest Practicable Date, has given a written approval to the Acquisition. Accordingly, no extraordinary general meeting will be convened for the approval of the Acquisition.

### RECOMMENDATION

Although no general meeting will be convened for approving the Acquisition, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are on normal commercial terms, are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole. Accordingly, if a general meeting were convened for approving the Acquisition, the Directors would have recommended the Shareholders to vote in favour of the Acquisition.

### ADDITIONAL INFORMATION

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

Yours faithfully,  
By order of the Board  
**Vico International Holdings Limited**  
**Hui Pui Sing**  
*Chairman and Executive Director*

**1. FINANCIAL INFORMATION OF THE GROUP**

Financial information of the Group for each of the three financial years ended 31 March 2016, 2017 and 2018 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.vicointernational.hk](http://www.vicointernational.hk)):

- (i) Accountants' report included in the prospectus of the Company for the years ended 31 March 2016 and 2017 published on 30 January 2018 (pages I-1 to I-58); and
- (ii) Annual report of the Company for the year ended 31 March 2018 published on 19 July 2018 (pages 52 to 119).

**2. STATEMENT OF INDEBTEDNESS**

As at the close of business on 31 July 2018, being the latest practicable date for the purpose of this statement of indebtedness prior to printing of this circular, the indebtedness of the Group is as follows:

**Bank borrowings**

|                                                                                              |                  |
|----------------------------------------------------------------------------------------------|------------------|
|                                                                                              | <i>HK\$'000</i>  |
|                                                                                              | <i>Notes (i)</i> |
|                                                                                              | <i>and (ii)</i>  |
| Carrying amounts of bank borrowings that contain a repayment on demand clause but repayable: |                  |
| Within one year                                                                              | 2,441            |
| More than one year but not exceeding two years                                               | 2,452            |
| More than two years but not exceeding five years                                             | 7,089            |
| More than five years                                                                         | <u>3,266</u>     |
|                                                                                              | <u>15,248</u>    |

**Obligations under finance leases**

|                             |                   |
|-----------------------------|-------------------|
|                             | <i>HK\$'000</i>   |
|                             | <i>Note (iii)</i> |
| Carrying amounts repayable: |                   |
| Within one year             | <u>152</u>        |

*Notes:*

- (i) The Group's bank borrowing of approximately HK\$5,581,000 was secured by the Group's leasehold land and buildings located in Hong Kong under medium-term leases with carrying value of approximately HK\$16,694,000 and guaranteed by the Company.
- (ii) The Group's bank borrowing of approximately HK\$9,667,000 was guaranteed by the Company.
- (iii) The Group's obligations under finance leases of approximately HK\$152,000 were secured by the Group's motor vehicles with carrying value of approximately HK\$267,000.

**Contingent liabilities**

As at 31 July 2018, being the latest practicable date for the preparation of the indebtedness statement in this circular, the Group did not have any contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, at the close of business on 31 July 2018, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, and term loans (secured, unsecured, guaranteed or not), bank overdrafts, borrowings or other similar indebtedness, liabilities under acceptance (other than normal trade bills), acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities. The Directors confirm that the Company does not have any external financing plans as at the Latest Practicable Date.

**3. WORKING CAPITAL**

The Directors are of the opinion that, in the absence of unforeseeable circumstances, upon the completion of the Acquisition and taking into account of the Group's internal resources, cash flow from operations and the available banking facilities, the Group will have sufficient working capital for its present requirements and for the next twelve months from the date of this circular.

**4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP**

The Group is principally engaged in the distribution of third-party branded petrochemicals, the sales of the self-branded lubricant oil and provides fleet card services in Hong Kong. The petrochemical products of the Group include (i) diesel; (ii) lubricant oil (including self-branded lubricant oil and third-party branded lubricant oil); and (iii) other petrochemicals such as bitumen.

The Group is increasing its operation sites by improving our capacity of producing self-branded lubricant oil which yielded a higher profit margin than third-party branded lubricant oil products. The expansion plan in action enables the Group to further consolidate the Group's financial strength and enhance the Group's capacity and efficiency in serving customers.

The management continued to devote substantial efforts in improving the overall financial performance of the Group and maintaining a healthy and strong balance sheet by various possible ways, such as improving the inventory management and trade receivables control and putting effort to significantly reduce the level of finance costs. The Group will continue to monitor the market trends and take prompt and appropriate actions to adjust our business strategies and allocate resources effectively under different market conditions.

#### **5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2018, being the date to which the latest published audited financial statements of the Group were made up.

**A. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP  
INTRODUCTION**

The following is an illustrative unaudited pro forma consolidated net assets statement (the “**Unaudited Pro Forma Financial Information**”) of Vico International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) as at 31 March 2018 in connection with the proposed acquisition of a property located at G/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories, Hong Kong (the “**Property**”) (the “**Acquisition**”). The Unaudited Pro Forma Financial Information presented below is prepared to illustrate effects of the Acquisition on the financial position of the Group as if the Acquisition had been completed on 31 March 2018.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated statement of financial position of the Group as at 31 March 2018 extracted from the Group’s audited consolidated financial statements as at 31 March 2018 included in the published annual report for the year ended 31 March 2018, after making pro forma adjustments relating to the Acquisition that are directly attributable to the Acquisition and not relating to future events or decisions; and factually supportable.

The Unaudited Pro Forma Financial Information has been prepared by the directors of the Company in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, for illustrative purpose only and is based on a number of assumptions, estimates, uncertainties and currently available information. Accordingly, the Unaudited Pro Forma Financial Information does not purport to describe the actual financial position of the Group that would have been attained had the Acquisition been completed on 31 March 2018 nor purport to predict the Group’s future financial position.

The Unaudited Pro Forma Financial Information should be read in conjunction with the historical financial information of the Group as set out in the published annual report of the Group for the year ended 31 March 2018, and other financial information included elsewhere in the circular.

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**APPENDIX II                      UNAUDITED PRO FORMA FINANCIAL INFORMATION  
OF THE GROUP**

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**UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

|                                                  | <b>Audited<br/>consolidated<br/>net assets<br/>statement of<br/>the Group as<br/>at 31 March<br/>2018<br/>HK\$'000<br/>(Note 1)</b> | <b>Pro forma<br/>adjustment<br/>HK\$'000<br/>(Note 2)</b> | <b>Unaudited pro<br/>forma adjusted<br/>consolidated<br/>net assets<br/>statement of<br/>the Group<br/>HK\$'000</b> |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| <b>Non-current asset</b>                         |                                                                                                                                     |                                                           |                                                                                                                     |
| Property, plant and equipment                    | <u>20,650</u>                                                                                                                       | <u>54,155</u>                                             | <u>74,805</u>                                                                                                       |
| <b>Current assets</b>                            |                                                                                                                                     |                                                           |                                                                                                                     |
| Inventories                                      | 5,408                                                                                                                               | —                                                         | 5,408                                                                                                               |
| Trade and other receivables                      | 56,302                                                                                                                              | —                                                         | 56,302                                                                                                              |
| Amount due from ultimate holding<br>company      | 8                                                                                                                                   | —                                                         | 8                                                                                                                   |
| Taxation recoverable                             | 211                                                                                                                                 | —                                                         | 211                                                                                                                 |
| Time deposits                                    | 1,007                                                                                                                               | —                                                         | 1,007                                                                                                               |
| Bank balances and cash                           | <u>94,091</u>                                                                                                                       | <u>(54,155)</u>                                           | <u>39,936</u>                                                                                                       |
|                                                  | <u>157,027</u>                                                                                                                      | <u>(54,155)</u>                                           | <u>102,872</u>                                                                                                      |
| <b>Current liabilities</b>                       |                                                                                                                                     |                                                           |                                                                                                                     |
| Trade and other payables                         | 7,176                                                                                                                               | —                                                         | 7,176                                                                                                               |
| Obligations under finance leases                 | 257                                                                                                                                 | —                                                         | 257                                                                                                                 |
| Taxation payable                                 | 872                                                                                                                                 | —                                                         | 872                                                                                                                 |
| Bank borrowings                                  | <u>16,350</u>                                                                                                                       | <u>—</u>                                                  | <u>16,350</u>                                                                                                       |
|                                                  | 24,655                                                                                                                              | —                                                         | 24,655                                                                                                              |
| <b>NET CURRENT ASSETS</b>                        | <u>132,372</u>                                                                                                                      | <u>(54,155)</u>                                           | <u>78,217</u>                                                                                                       |
| <b>TOTAL ASSETS LESS CURRENT<br/>LIABILITIES</b> | <u>153,022</u>                                                                                                                      | <u>—</u>                                                  | <u>153,022</u>                                                                                                      |
| <b>Non-current liability</b>                     |                                                                                                                                     |                                                           |                                                                                                                     |
| Deferred tax liabilities                         | <u>237</u>                                                                                                                          | <u>—</u>                                                  | <u>237</u>                                                                                                          |
| <b>NET ASSETS</b>                                | <u><u>152,785</u></u>                                                                                                               | <u><u>—</u></u>                                           | <u><u>152,785</u></u>                                                                                               |

**NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP**

1. The amounts are extracted from audited consolidated statement of financial position of the Group as at 31 March 2018 as set out in the published annual report of the Group for the year ended 31 March 2018.
2. The adjustment is to reflect the Proposed Acquisition of the Property which included (i) the cash consideration of HK\$49,000,000 and (ii) other directly attributable costs of Proposed Acquisition of approximately HK\$5,155,000, comprising stamp duty of approximately HK\$4,165,000, legal fee of HK\$500,000 and property agent commission of HK\$490,000. The Property is classified as property, plant and equipment as the Group intends to use the Property as self-owned warehouse after the completion of the Proposed Acquisition and there is no concrete plan of leasing out part of the Property to other parties.

The property, plant and equipment is initially measured at cost (inclusive of transaction costs) and subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

3. No other adjustments have been made to the Unaudited Pro Forma Financial Information of the Group to reflect any trading results or other transactions of the Group subsequent to 31 March 2018 where applicable. The adjustments disclosed in the above notes in respect of the Unaudited Pro Forma Financial Information of the Group are not expected to have a continuing effect on the Group.

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL  
INFORMATION OF THE GROUP**

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

20 August 2018

The Board of Directors  
Vico International Holdings Limited  
Unit D, 11/F, Billion Plaza II  
No. 10 Cheung Yue Street  
Cheung Sha Wan, Hong Kong

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Vico International Holdings Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) by the directors of the Company for illustrative purposes only. The unaudited pro forma financial information (the “**Unaudited Pro Forma Financial Information**”) consists of the unaudited pro forma net assets statement as at 31 March 2018 and related notes as set out on pages 12–13 of the circular dated 20 August 2018 (the “**Circular**”) in connection with the acquisition of a property located at G/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories, Hong Kong (the “**Acquisition**”). The applicable criteria on the basis of which the directors of the Company have compiled the Unaudited Pro Forma Financial Information are described in Appendix II to the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the directors of the Company to illustrate the impact of the Acquisition on the Group’s financial position as at 31 March 2018 as if the Acquisition had taken place at 31 March 2018. As part of this process, information about the Group’s financial position has been extracted by the directors of the Company from the Group’s audited consolidated financial statements for the year ended 31 March 2018, on which an annual report has been published.

**Directors’ Responsibility for the Unaudited Pro Forma Financial Information**

The directors of the Company are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

### **Our Independence and Quality Control**

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

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

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the directors of the Company have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in an investment circular is solely to illustrate the impact of the Acquisition on the unadjusted financial information of the Group as if the Acquisition had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Acquisition at 31 March 2018 would have been as presented.

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

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

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

### **Opinion**

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

**SHINEWING (HK) CPA Limited**

*Certified Public Accountants*

**Wong Hon Kei, Anthony**

Practising Certificate Number: P05591

Hong Kong

The following is the text of a letter and valuation certificate, prepared for the purpose of incorporation in this circular received from Prudential Surveyors (Hong Kong) Limited, an independent surveyor, in connection with its valuation as at 6 August 2018 of the Property.

6 August 2018

Our Ref.: 2018AS04729

Board of Directors  
Vico International Holdings Limited  
Unit D, 11/F, Billion Plaza II,  
No.10 Cheung Yue Street,  
Cheung Sha Wan,  
Kowloon

Dear Sirs,

**Re: Valuation Report of G/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories (“the Property”)**

#### **INSTRUCTION**

In accordance with the instruction of Vico International Holdings Limited (the “**Company**”) for us to value the Property, we confirm that we have carried out inspection, made relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market value of the Property as at 6 August 2018 (the “**Date of Valuation**”).

This letter, forming part of our valuation report, identifies the Property being valued, explains the basis and methodology of our valuation and lists out the assumptions and the title investigation we have made in the course of our valuation, as well as the limiting conditions.

#### **BASIS OF VALUATION**

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

The market value is the best price reasonably obtained in the market by the seller and the most advantageous price reasonably obtainable in the market by the buyer. This estimate specifically excludes an estimated price inflated for deflated by special terms or circumstances such as atypical financing, sale and leaseback arrangements, joint ventures, management agreements, special considerations or concessions granted by anyone associated with the sale, or any element of special value. The market value of the Property is also estimated without regard to costs of sale and purchase, and without offset for any associated taxes.

Our valuation has been carried out in accordance with The Hong Kong Institute of Surveyors (“HKIS”) Valuation Standards (2017 Edition) issued by the HKIS which has been effective since 30 December 2017 and entitles the Valuer to make reasonable assumptions, the relevant provisions in the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (Main Board).

### **VALUATION METHOD**

We have valued the Property by using the Direct Comparison Method assuming sale of the Property in its existing state with vacant possession. Comparable properties with similar character, facing aspect, size, view, floor level, location, building facilities and so on are analyzed and carefully weighed against all respective advantages and disadvantages of the property in order to arrive at a fair comparison of value. Also, we have allowed for outgoings and, in appropriate case, made provisions for reversionary income potential.

### **VALUATION ASSUMPTIONS**

In valuing the property interest, we have assumed that the Company has free and uninterrupted rights to use or to assign the property interest for the whole of the unexpired term granted subject to payment of government rent and that all requisite land premium/purchase consideration otherwise payable have been fully settled.

Our valuation has also been made on the assumption that the Property is to be sold in the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements that would serve to affect its value. No account has been taken of any option or right of pre-emption concerning or affecting the sale of the Property and no forced sale situation in any manner is assumed in our valuation.

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

### **TITLE INVESTIGATION**

We have been shown copies of various documents relating to the property interest and, we have caused searches at the Land Registry. We have not, however, searched the original documents to verify ownership or to verify the existence of any lease amendments. All documents and leases have been used for reference only.

Moreover, we have not been provided with any legal opinion regarding to the titles to the property interest.

**NON-PUBLICATION**

Neither the whole nor any part of this letter or valuation report or any reference thereto may be included in any published document, circular or statement, nor published in any way whatsoever without the prior written approval of Prudential Surveyors (Hong Kong) Limited as to the form and context in which they may appear.

In accordance with our standard practice, we must state that this letter and the valuation report are for the exclusive use of the party to whom it is addressed and for the specific purpose stated above. No liability to any third party will be accepted for the whole or any part of its contents.

**NO CONFLICT OF INTEREST**

We hereby confirm that we have neither present nor prospective interests in the Company, the Property and the value reported herein.

**LIMITING CONDITIONS**

Inspection to the exterior of the Property was conducted by Ms. Jessica To, under supervision of Mr. Leo S.D. Cheung on 12 June 2018. However, no structural survey has been made nor have any tests been carried out on any of the services provided in the Property. We are, therefore, not able to report that the Property is free from rot, infestation or any other structural defects. Yet, in the course of our inspection, we did not note any serious defects.

No detailed on-site measurements have been made during our inspection. Dimensions, measurements and areas included in the valuation certificate attached are based on information contained in the documents available to us and are therefore approximations only.

We have relied to a considerable extent on the information provided by the Company and have accepted advice given to us on such matters as planning approvals, statutory notices, easements, tenure, completion dates of buildings, particulars of occupancy, site and floor plans, site and floor areas and other relevant matters in the identification of the Property in which the Company has valid interest. We have not seen original planning consents and have assumed that the Property has been erected and is being occupied and used in accordance with such consents.

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

**SITE INVESTIGATION**

We have not carried out any investigations on site in order to determine the suitability of ground conditions and services etc. for future redevelopment or renovation, nor did we undertake archaeological, ecological or environmental surveys. Our valuation is on the basis that these aspects are satisfactory and that where developments are contemplated, no extraordinary expenses or delays will be incurred during the construction or renovation period.

In the course of our valuation, we have assumed that no contamination affects the Properties or the neighbouring land. However, should it be established subsequently that contamination exists at the Properties or on any neighbouring land, or that the premises have been or are being put to any contaminative use, we reserve the right to adjust the values reported herein.

**PLANT AND MACHINERY**

Our valuation normally includes all plant and machinery that form part of the building services installations. However, process plant, machinery and equipment which may have been installed wholly in connection with the occupiers' industrial and/or commercial processes, together with furniture and furnishings, tenants' fixtures and fittings are excluded in our valuation.

**REPORT**

Our Valuation report is attached hereto.

Yours faithfully,

For and on behalf of

**PRUDENTIAL SURVEYORS (HONG KONG) LIMITED**

**Leo S.D. Cheung**

BSc, MSc, MFin, EMBA

*MRICS, MHKIS(GP/PFM), RPS(GP)*

*Director*

*Mr. Leo S. D. Cheung is a Registered Professional Surveyor (GP) with 20 years experience in valuation of properties in HKSAR, Macau, mainland China and the Asia Pacific Region. Mr. Cheung is a Professional Member of The Royal Institution of Chartered Surveyors and a Member of The Hong Kong Institute of Surveyors.*

**VALUATION CERTIFICATE OF THE PROPERTY**  
**TIEN FUNG HONG HOLDINGS LIMITED**

**PROPERTY HELD FOR OWNER OCCUPATION**

| <b>Property</b>                                                                                                                                                                          | <b>Description and Tenure</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Particulars of Occupancy</b>                                                           | <b>Market Value as at 6 August 2018</b> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-----------------------------------------|
| G/F of Metropolitan Industrial & Warehouse Building (No. 2), Nos. 216–218 Texaco Road, Tsuen Wan, New Territories<br><br>75/655 shares of and in Lot No. 290 in Demarcation District 446 | ‘Metropolitan Industrial & Warehouse Building’ (“ <b>The Building</b> ”) occupies a large rectangular shaped through site on the northeastern side of Texaco Road, bounded by Ma Kok Lane at its rear, in the long established industrial area of Tsuen Wan, New Territories.<br><br>The building, construed of reinforced concrete framework with painted facade and galvanized steel window casements, comprises a 24-storey (basement floor, ground floor, 1st to 22nd Floors) industrial building planned to have car parking spaces on basement floor, car parking spaces, loading/unloading area and workshop on ground floor and workshops on floors above. Main lift lobby is on ground floor entering from Texaco Road. | The Property is occupied by the owner as storage/warehouse under the trade name of “勵駿倉”. | HK\$52,000,000.00                       |

| Property | Description and Tenure                                                                                                                                                                                                                                    | Particulars of Occupancy | Market Value as at 6 August 2018 |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------------------|
|          | Vertical access via 4 cargo lifts and 2 staircases. The Building was completed in 1984.                                                                                                                                                                   |                          |                                  |
|          | The saleable area of the Property is about 859.90 s.m. (9,256 s.f.), as per scale-off measurement from the registered floor plan.                                                                                                                         |                          |                                  |
|          | The Property is situated at Lot No. 290 in Demarcation District 446 which is held under New Grant TW3895 for a term of 99 years from 1st July 1898, extended by the New Territories Leases (Extension) Ordinance 1988 until the expiry of 30th June 2047. |                          |                                  |
|          | The Government rent payable per annum is HK\$172.00.                                                                                                                                                                                                      |                          |                                  |

*Notes:*

1. The registered owner of the Property is Champion Land International Limited by an Assignment dated 8th March 2002 vide Memorial No. TW1456797 for a consideration of HK\$4,460,000.00.
2. The Property is subject to various incumbrances as follows:
  - (i) Deed of Mutual Covenant and Management Agreement date 12th January 1985 vide Memorial No. TW335485; and
  - (ii) Superseding Order No. UBCS/01-02/0019/10 by the Building Authority under S.24(1) of the Buildings Ordinance dated 22nd May 2012 vide Memorial No. 12062201390167.

3. The Property lies within an area zoned “Industrial” under approved Tsuen Wan Outline Zoning Plan No. S/TW/33. It is stated in the explanatory notes of the said Outline Zoning Plan that this zone is intended primarily for general industrial uses to ensure an adequate supply of industrial floor space to meet demand from production-oriented industries. Information technology and telecommunications industries and office related to industrial use are also always permitted in the zone. No new development, or addition, alteration and/or modification to or redevelopment of an existing building shall result in a total development and/or redevelopment in excess of a maximum plot ratio of 9.5 or the plot ratio of the existing building, whichever is the greater.

## 1. RESPONSIBILITY STATEMENT

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

## 2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

### (a) Shares, underlying shares and debentures of the Company

Save as disclosed below, as at the Latest Practicable Date, none of the Directors or the chief executive of the Company had any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange:

| Name of Director | Nature of interest                                                                                  | Number of Shares <sup>(Note 1)</sup> | Approximate percentage of shareholding in the Company |
|------------------|-----------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------|
| Mr. Hui          | Interest in a controlled corporation <sup>(Note 2)</sup> and interest of spouse <sup>(Note 3)</sup> | 720,000,000 (L)                      | 72%                                                   |
| Ms. Tong         | Interest in a controlled corporation <sup>(Note 2)</sup> and interest of spouse <sup>(Note 3)</sup> | 720,000,000 (L)                      | 72%                                                   |
| Mr. Eric Hui     | Interest in a controlled corporation <sup>(Note 2)</sup>                                            | 720,000,000 (L)                      | 72%                                                   |

Notes:

- The letter (L) denotes the person's long position in such Shares.
- Max Fortune was owned by Mr. Hui, Ms. Tong and Mr. Eric Hui as to 35%, 35% and 30%, respectively. Under the SFO, each of Mr. Hui, Ms. Tong and Mr. Eric Hui was deemed to be interested in all of the 720,000,000 Shares held by Max Fortune.
- Mr. Hui is the spouse of Ms. Tong. Ms. Tong and Mr. Hui were deemed under the SFO to be interested in the Shares held, directly or indirectly, by Mr. Hui and Ms. Tong, respectively.

**(b) Interest in the ordinary shares of the associated corporation**

| <b>Name of Director</b> | <b>Name of associated corporation</b> | <b>Nature of interest</b>                                 | <b>Number of interested shares</b> | <b>Percentage of shareholding in the associated corporation</b> |
|-------------------------|---------------------------------------|-----------------------------------------------------------|------------------------------------|-----------------------------------------------------------------|
| Mr. Hui                 | Max Fortune <sup>(2)</sup>            | Beneficial interest and interest of spouse <sup>(1)</sup> | 700                                | 35%                                                             |
| Ms. Tong                | Max Fortune <sup>(2)</sup>            | Beneficial interest and interest of spouse <sup>(1)</sup> | 700                                | 35%                                                             |
| Mr. Eric Hui            | Max Fortune <sup>(2)</sup>            | Beneficial interest                                       | 600                                | 30%                                                             |

*Notes:*

1. Mr. Hui is the spouse of Ms. Tong. Ms. Tong and Mr. Hui were deemed under the SFO to be interested in the shares of Max Fortune held, directly or indirectly, by Mr. Hui and Ms. Tong, respectively.
2. Max Fortune was interested in 720,000,000 Shares, representing 72% of the issued share capital of the Company. Max Fortune was therefore a holding company and an associated corporation of the Company for the purpose of the SFO.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were (i) required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have taken under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than the Directors or chief executive of the Company) had, or were deemed or taken to have interests or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the issued voting shares of any other member of the Group:

| Name of substantial Shareholder             | Nature of interest | Total number of Shares <sup>(1)</sup> interested | Approximate percentage of the existing issued share capital of the Company |
|---------------------------------------------|--------------------|--------------------------------------------------|----------------------------------------------------------------------------|
| Max Fortune Holdings Limited <sup>(2)</sup> | Beneficial owner   | 720,000,000 (L)                                  | 72%                                                                        |

*Notes:*

- (1) The letter (L) denotes the person's long position in the Shares.
- (2) Max Fortune was owned by Mr. Hui, Ms. Tong and Mr. Eric Hui as to 35%, 35% and 30%, respectively. Under the SFO, each of Mr. Hui, Ms. Tong and Mr. Eric Hui was deemed to be interested in all of the 720,000,000 Shares held by Max Fortune.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10% or more of the issued voting Shares of any member of the Group.

### 4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been since 31 March 2018, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

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

## 5. COMPETING BUSINESS

As at the Latest Practicable Date, so far as the Directors were aware, none of the Directors or their respective close associates had any interest in any business which competes or may compete, either directly or indirectly, with the business of the Group or have or may have any other conflicts of interest with the Group pursuant to the Listing Rules.

## 6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had a service contract with the Company which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).

## 7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against the Company or any of its subsidiaries.

## 8. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) having been entered into by the Group within two years immediately preceding the date of this circular and are or may be material:

- (a) the Agreement;
- (b) bought and sold notes dated 29 March 2017 for the transfer of one share in Carmen Logistics Limited ("**Carmen Logistics**") from Mr. Hui to Diamond Decade Investments Limited ("**Diamond Decade**") in consideration of the allotment and issue of one share in Billion Harvest Ventures Limited ("**Billion Harvest**");
- (c) the bought and sold notes dated 29 March 2017 for the transfer of 10,000 shares in Yee Sing Logistics Company Limited from Mr. Hui to Diamond Decade in consideration of the allotment and issue of 1,176 shares in Billion Harvest;
- (d) the bought and sold notes dated 29 March 2017 for the transfer of one share in Yee Sing Hong Petroleum Chemicals Company Limited ("**Yee Sing Hong**") from Pacific Group Enterprises Ltd. ("**Pacific Group**") to Trillion Star Global Limited ("**Trillion Star**") in consideration of the allotment and issue of 2,041 shares in Billion Harvest;
- (e) the bought and sold notes dated 29 March 2017 for the transfer of 5,000 shares in Grand Wealthy Holdings Limited ("**Grand Wealthy**") from Mr. Hui to Tycoon City International Limited ("**Tycoon City**") in consideration of the allotment and issue of 358 shares in Billion Harvest;

- (f) the bought and sold notes dated 29 March 2017 for the transfer of 5,000 shares in Grand Wealthy from Ms. Tong to Tycoon City in consideration of the allotment and issue of 359 shares in Billion Harvest;
- (g) the bought and sold notes dated 29 March 2017 for the transfer of 35,000 shares in Tien Fung Hong Holdings Limited (“**Tien Fung Hong**”) from Ms. Tong to Tycoon City in consideration of the allotment and issue of 2,802 shares in Billion Harvest;
- (h) the bought and sold notes dated 29 March 2017 for the transfer of 15,000 shares in Tien Fung Hong from Mr. Eric Hui to Tycoon City in consideration of the allotment and issue of 1,201 shares in Billion Harvest;
- (i) the bought and sold notes dated 29 March 2017 for the transfer of 5,000 shares in Billion Faith (Hong Kong) Limited (“**Billion Faith**”) from Ms. Tong to Tycoon City in consideration of the allotment and issue of 10 shares in Billion Harvest;
- (j) the bought and sold notes dated 29 March 2017 for the transfer of 5,000 shares in Billion Faith (Hong Kong) Limited from Pacific Group to Tycoon City in consideration of the allotment and issue of 10 shares in Billion Harvest;
- (k) the sale and purchase agreement dated 12 April 2017 and entered into among the Company, Max Fortune, Mr. Hui, Mr. Eric Hui and Ms. Tong, pursuant to which Max Fortune sold and the Company purchased 11,000 shares in Billion Harvest in consideration of the issue and allotment of 749 Shares, credited as fully paid, to Max Fortune;
- (l) the deed of novation and capitalisation dated 16 January 2018 entered into between Tien Fung Hong, Yee Sing Hong, Carmen Logistics, Billion Faith (collectively the “**Transferors**”), the Company and Mr. Hui, pursuant to which the rights and obligations of the Transferors under the loans in the principal amount of HK\$27,675,834.65 (the “**Loans**”) owed by the Transferors to Mr. Hui were novated to the Company and Mr. Hui agreed to capitalise the Loans by the issue and allotment of 250 Shares, credited as fully paid, to Mr. Hui (or such person as directed by Mr. Hui);
- (m) the deed of indemnity dated 16 January 2018 entered into by the controlling shareholders in favour of the Company (for itself and as trustee for each of its subsidiaries) to provide indemnities on a joint and several basis, as referred to in the Company’s prospectus dated 30 January 2018;
- (n) the deed of non-competition dated 16 January 2018 entered into by the controlling shareholders in favour of the Company (for itself and as trustee for each of its subsidiaries) regarding certain non-competition undertaking, as referred to in the Company’s prospectus dated 30 January 2018;
- (o) the amended and restated public offer underwriting agreement dated 14 February 2018, as referred to in the Company’s supplemental prospectus dated 15 February 2018; and

- (p) the placing underwriting agreement dated 26 February 2018, as referred to in the Company's prospectus dated 30 January 2018.

## 9. QUALIFICATIONS AND CONSENT OF EXPERT

The followings are the names and the qualifications of the professional advisers whose letters, opinions or advice are contained or referred to in this circular ("**Experts**"):

| Name                                     | Qualifications                          |
|------------------------------------------|-----------------------------------------|
| SHINEWING (HK) CPA Limited               | Certified Public Accountants, Hong Kong |
| Prudential Surveyors (Hong Kong) Limited | Professional surveyor and valuer        |

Each of SHINEWING (HK) CPA Limited and Prudential Surveyors (Hong Kong) Limited has given and has not withdrawn its written consent to the issue of this circular, with the inclusion of the references to its name and/or its opinion in the form and context in which they are included.

As at the Latest Practicable Date, each of SHINEWING (HK) CPA Limited and Prudential Surveyors (Hong Kong) Limited did not have any shareholding 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.

As at the Latest Practicable Date, each of SHINEWING (HK) CPA Limited and Prudential Surveyors (Hong Kong) Limited has no direct or indirect interests in any assets which has been acquired or disposed of by or leased to any member of the Group since 31 December 2016 (the date to which the latest published audited consolidated financial statements of the Company were made up) or proposed to be acquired, disposed of or leased to.

## 10. MISCELLANEOUS

As at the Latest Practicable Date:

- (a) The registered office of the Company was situated at Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111 Cayman Islands. The Company's head office and principal place of business in Hong Kong was situated at Unit D, 11/F, Billion Plaza II, No. 10 Cheung Yue Street, Cheung Sha Wan, Hong Kong.
- (b) The company secretary of the Company was Ms. Ngai Kit Fong ("**Ms. Ngai**"). Ms. Ngai is a Chartered Secretary and a Fellow of both The Hong Kong Institute of Chartered Secretaries ("**HKICS**") and The Institute of Chartered Secretaries and Administrators in the United Kingdom. Ms. Ngai is a holder of the Practitioner's Endorsement from HKICS.

- (c) The Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, was situated at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong.
- (d) In the event of inconsistency, the English texts of this circular shall prevail over its respective Chinese texts.

## **11. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents will be available for inspection during normal business hours (9:00 a.m. to 5:00 p.m.) on any weekday (public holidays excepted) at the head office of the Company at Unit D, 11/F, Billion Plaza II, No. 10 Cheung Yue Street, Cheung Sha Wan, Hong Kong from the date of this circular up to 14 days thereafter:

- (a) the memorandum of association and articles of association of the Company;
- (b) copy of each of the material contracts referred to under the paragraph headed "Material Contracts" in this appendix;
- (c) the annual reports of the Company for each of the two financial years ended 31 March 2017 and 31 March 2018, respectively;
- (d) the report from SHINEWING (HK) CPA Limited on unaudited pro forma financial information of the Group upon the Completion, the text of which is set out in Appendix II to this circular;
- (e) the valuation report prepared by Prudential Surveyors (Hong Kong) Limited in relation to the Property, the text of which is set out in Appendix III to this circular;
- (f) the written consent from the experts referred to under the paragraph headed "Qualifications and Consent of Expert" in this appendix; and
- (g) this circular.