THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Computech Holdings Limited (the "**Company**"), you should at once hand this circular together with the enclosed form of proxy 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.

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

COMPUTECH HOLDINGS LIMITED
駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8081)

VERY SUBSTANTIAL ACQUISITION

A notice convening an extraordinary general meeting of the Company to be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 10 September 2013 at 11:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar in Hong Kong, Hong Kong Registrars Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the extraordinary general meeting or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting if you so wish, and in such case, the form of proxy previously submitted by such member(s) shall be deemed to be revoked.

This circular will remain on the "Latest Company Announcements" page of the website of GEM at http://www.hkgem.com for a minimum period of seven days from the date of its posting and the website of the Company at http://www.computech.com.hk.

* *For identification purpose only*

24 August 2013

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

CONTENTS

CONTENTS

Page

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

"Acquisition"	the proposed acquisition of the Sale Shares and the Sale Loan by the Purchaser from the Vendors pursuant to the terms and conditions of the Sale and Purchase Agreement
"Addendum"	an addendum entered into between the Vendors and the Company dated 5 March 2013 to supplement the terms of the MOU
"associates"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
"BVI Company"	Hong Kong Health Check and Medical Diagnostic Group Limited, a company incorporated in the British Virgin Islands with limited liability and is wholly owned by the Target Company
"Clients"	having the meaning as ascribed thereto in the paragraph headed "Business model" under the section headed "Information on the Target Group" in the Letter from the Board in this circular
"Company"	Computech Holdings Limited, a company incorporated in the Cayman Islands and the issued Shares of which are listed on GEM
"Completion"	completion of the Acquisition in accordance with the Sale and Purchase Agreement
"connected person"	has the meaning ascribed to this term under the GEM Listing Rules
"Consideration"	the total cash consideration of HK$85,000,000 payable by the Purchaser for the Sale Shares and the Sale Loan under the Sale and Purchase Agreement

"Conversion Notes"	the zero coupon convertible note due on 5 March 2015 issued by the Company in the principal amount of HK$50 million, convertible into up to 263,157,894 Shares at an adjusted conversion price of HK$0.19 Share (subject to further adjustment)
"Conversion Share(s)"	new Share(s) falling to be allotted and issued by the Company upon exercise of the conversion rights attached to the Convertible Notes
"Customers"	collectively, Clients and Patients
"Directors"	the directors of the Company
"EGM"	the extraordinary general meeting of the Company to be held to approve, amongst others, the Acquisition and the transactions contemplated thereunder
"Enlarged Group"	the Group as enlarged by the Target Group upon Completion
"First Vendor"	Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited), a company incorporated in Bermuda, being the beneficial owner of approximately 47.89% of the issued share capital of the Target Company
"Fund-Raising Exercise"	fund raising exercise to be conducted by the Company by the issue of new Shares or other equity securities carrying rights to convert or exchange into, Shares or by the grant of credit or loan facilities to the Company, such fund raising exercise shall be conducted on such terms and conditions and in such manner as the Company shall see fit
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on GEM
"Group"	the Company and its subsidiaries
"HK$"	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"	a party which is not connected persons of the Company and is independent of the Company and its connected persons
"Latest Practicable Date"	21 August 2013, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"MOU"	the memorandum of understanding dated 5 February 2013 (as supplemented by the Addendum) entered into between the Vendors and the Company in relation to the Acquisition
"Open Offer"	the open offer of 418,274,796 new Shares by the Company, details of which were set out in the announcement, the circular and the prospectus of the Company dated 22 August 2012, 12 October 2012 and 12 November 2012 respectively
"Patients"	having the meaning as ascribed thereto in the paragraph headed "Business model" under the section headed "Information on the Target Group" in the Letter from the Board in this circular
"Property"	the property located at Shops Nos. 12A, 12B and 12C, Ground Floor, Hip Wo House (Ground Floor of Nos. 167A, 167B and 167C Hip Wo Street), Kowloon, Hong Kong
"Purchaser"	Absolutely Talent Technology Limited, a wholly-owned subsidiary of the Company incorporated in the British Virgin Islands with limited liability
"Sale and Purchase Agreement"	the sale and purchase agreement dated 16 April 2013 (as amended by an addendum dated 19 July 2013) and entered into among the Vendors, the Purchaser and the Company in relation to the Acquisition
"Sale Loan"	any obligations, liabilities and debts owing or incurred by the Target Group to the First Vendor prior to the Completion whether actual, contingent or deferred and irrespective of whether or not the same is due and payable on Completion. As at the date of the Sale and Purchase Agreement, the Sale Loan amounted to approximately HK$67,021,000

"Sale Shares"	10,650 shares of US$1.00 each in the issued share capital of the Target Company, representing the entire issued share capital of the Target Company as at the date of the Sale and Purchase Agreement
"Second Vendor"	Town Health (BVI) Limited, a company incorporated in the British Virgin Islands, being the beneficial owner of approximately 46.01% of the issued share capital of the Target Company
"Share(s)"	ordinary share(s) of HK$0.10 each in the issued share capital of the Company
"Shareholder(s)	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Target Company"	Luck Key Investment Limited, a company incorporated in the British Virgin Islands with limited liability and is owned as to approximately 47.89%, 46.01% and 6.10% by the First Vendor, the Second Vendor and the Third Vendor respectively
"Target Group"	collectively, the group of companies consisting of the Target Company and its subsidiaries, including but not limited to the BVI Company
"Third Vendor"	Dr. Fung Yiu Tong, Bennet, being the beneficial owner of approximately 6.01% of the issued share capital of the Target Company
"Track Record Period"	the three years ended 31 December 2012
"Town Health Listco"	Town Health International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda and whose shares are listed on the Stock Exchange, being the sole ultimate beneficial owner of the Second Vendor
"Vendors"	collectively, the First Vendor, the Second Vendor and the Third Vendor
"%"	per cent.

This glossary contains explanation of certain technical terms used in this circular in connection with the Target Group and its business. The terminology and their meanings may not correspond to standard industry meanings or usage of those terms.

"Audiography"	the science of measuring hearing acuity for variations in sound intensity and pitch and for tonal purity, involving thresholds and differing frequencies
"CT"	computed tomography scan, a medical imaging procedure that uses computer-processed X-rays to produce tomographic images or 'slices' of specific areas of the body. These cross-sectional images are used for diagnostic and therapeutic purposes in various medical disciplines
"DEXA"	Dual-energy X-ray absorptiometry, a means of measuring bone mineral density (BMD), when two X-ray beams with different energy levels are aimed at the patient's bones
"Digital Mammography"	a specialized form of mammography that uses digital receptors and computers instead of x-ray film to help examine breast tissue for breast cancer
"Echocardiogram"	a sonogram of the heart, uses standard two-dimensional, three-dimensional, and Doppler ultrasound to create images of the heart
"Electrocardiogram"	a transthoracic (across the thorax or chest) interpretation of the electrical activity of the heart over a period of time, as detected by electrodes attached to the surface of the skin and recorded by a device external to the body
"Endoscopy"	means looking inside and typically refers to looking inside the body for medical reasons using an endoscope, an instrument used to examine the interior of a hollow organ or cavity of the body. Unlike most other medical imaging devices, endoscopes are inserted directly into the organ

"Fibroscan"	a routine screening for liver includes measurements of the stiffness by shear elastic wave velocity and successive ultrasound signals. Readings of kPa are calculated for a specific region at the right upper quadrant and kPa is considered to be an important value in assessing liver stiffness and predicting the degree of fibrosis
"Fluorodeoxyglucose"	a radiopharmaceutical used in the medical imaging modality positron emission tomography (PET)
"Gastroenterology"	a branch of medicine focused on the digestive system and its disorders
"Mammography"	a process of using low-energy X-rays to examine the human breast and is used as a diagnostic and a screening tool
"MRI"	magnetic resonance imaging is a medical imaging technique used in radiology to visualize internal structures of the body in detail. An MRI scanner is a device in which the patient lies within a strong magnetic field and to align the magnetization of certain atomic nuclei in the body, and radio frequency magnetic fields would also apply to alter the alignment of the said magnetization systematically
"PET-CT"	Positron Emission Tomography – Computed Tomography, a medical imaging technique using a device which combines in a single gantry system both a Positron Emission Tomography (PET) and an x-ray Computed Tomography, so that images acquired from both devices can be taken sequentially, in the same session from the patient and combined into a single superposed (co-registered) image. Thus, functional imaging obtained by PET, which depicts the spatial distribution of metabolic or biochemical activity in the body can be more precisely aligned or correlated with anatomic imaging obtained by CT scanning. Two- and three-dimensional image reconstruction may be rendered as a function of a common software and control system

"Resting ECG"	resting electrocardiogram, an electrocardiogram recording the electrical activity of the heart as it undergoes excitation (depolarization) and recovery (polarization) to initiate each beat of the heart
"Retinography"	imaging of the retina
"USG"	Ultrasound, an oscillating sound pressure wave with a frequency greater than the upper limit of the human hearing range. Ultrasonic devices are used to detect objects and measure distances. Ultrasonic imaging (sonography) is used in both veterinary medicine and human medicine
"X-Ray"	X-radiation, a form of electromagnetic radiation which can be used to produce image within the human body and identifying bone structures

COMPUTECH HOLDINGS LIMITED
駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8081)

Executive Directors:
Mr. Yang Yue Zhou *(Chairman)*
Mr. Mak Kwong Yiu *(Compliance Officer and Authorised Representative)*
Mr. Jiang Tan Shan
Mr. Kwok Shun Tim

Independent non-executive Directors:
Mr. Wong Siu Keung, Joe
Mr. Wong Ching Yip
Mr. Luk Chi Shing

Registered office:
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P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 1604, 16/F
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

24 August 2013

To the Shareholders

Dear Sir or Madam

VERY SUBSTANTIAL ACQUISITION

INTRODUCTION

The Board announced on 16 April 2013 that the Purchaser, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendors for the Acquisition. The purposes of this circular are to provide the Shareholders, among other things, (i) further details of the Sale and Purchase Agreement; (ii) the financial information of the Group; (iii) the accountants' report of the Target Group; (iv) the pro forma financial information of the Enlarged Group; and (v) to give the Shareholders notice of EGM.

* *For identification purpose only*

SALE AND PURCHASE AGREEMENT

Date

16 April 2013

Parties

Purchaser:	Absolutely Talent Technology Limited, a wholly-owned subsidiary of the Company
Vendors:	(1) Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited), as the First Vendor; (2) Town Health (BVI) Limited, as the Second Vendor; (3) Dr. Fung Yiu Tong, Bennet, as the Third Vendor
Purchaser's guarantor:	the Company. Under the Sale and Purchase Agreement, the Company has agreed to guarantee in favour of the Vendors the due and punctual performance of the obligations of the Purchaser under the Sale and Purchase Agreement.

The First Vendor is an investment holding company incorporated in Bermuda with limited liabilities and the issued shares of which are listed on the Stock Exchange. The underlying principal business of the First Vendor and its subsidiaries are (i) solar energy business with a current focus on development, construction, operation and maintenance of power station projects; (ii) money lending business; and (iii) assets investment. As at the Latest Practicable Date, Town Health Listco was a substantial shareholder (as defined in the GEM Listing Rules) of the First Vendor, by virtue of being interested in an aggregate of 1,132,260,000 shares of the First Vendor representing approximately 15.27% of the entire issued capital of the First Vendor through (a) its interests in Ultimate Achieve Limited, its non-wholly owned indirect subsidiary holding 903,800,000 shares of the First Vendor; and (b) its interests in the indirect wholly owned subsidiary Town Health Corporate Advisory and Investments Limited, which was holding 228,460,000 shares of the First Vendor.

The Second Vendor is an investment holding company incorporated in the British Virgin Islands with limited liability. The underlying principal business of Town Health Listco, being the holding company of the Second Vendor, and its subsidiaries can be broadly categorised into (i) provision of medical and dental service; and (ii) securities and property investment business. Town Health Listco also holds investment in companies which are principally engaged in health check business in Hong Kong and pharmaceutical business and sale of healthcare and pharmaceutical products in the PRC.

The Third Vendor is a medical practitioner in Hong Kong and is a director of the Target Company and certain subsidiaries of the Target Group. As at the Latest Practicable Date, the First Vendor, the Second Vendor and the Third Vendor holds approximately 47.89%, 46.01% and 6.10% of the issued share capital of the Target Company respectively.

The Company has unconditionally and irrevocably guaranteed to the Vendors that it (i) shall procure the Purchaser to duly and punctually perform its obligations and duties under the Sale and Purchase Agreement; and (ii) undertake to indemnify the Vendors (if necessary by the payment of cash on first demand) fully for all liabilities, losses, damages, expenses and costs as a results of the Purchaser failing to perform or delay in performing its obligations under the Sale and Purchase Agreement.

As disclosed in the announcement of the Company dated 5 March 2013, on or about 21 February 2013, the First Vendor has become a holder of the Convertible Notes which shall become due on 5 March 2015. Details of the Convertible Notes, including the terms of the Convertible Notes and the reasons for the acquisition of the Convertible Notes, were set out in the announcement of the First Vendor dated 16 January 2013. As mentioned in the said announcement, following the disposal of its entire interests in China Gogreen Energy Investment Holdings Limited, the First Vendor and its subsidiaries are currently principally engaged in solar energy business with a current focus on downstream power station projects and money lending business. With the investment in the Company which has a platform of money lending, it was expected that the First Vendor and its subsidiaries can allocate more resources to focus on its downstream power station projects and further develop such business in light of the prevailing market conditions.

As at the Latest Practicable Date, the First Vendor is the holder of the entire outstanding principal amount of the Convertible Notes of HK$50 million. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save as disclosed above, each of the Vendors and its ultimate beneficial owners does not have any interest in the securities of the Company as at the Latest Practicable Date and is an Independent Third Party.

Assuming there is no other change in the share capital of the Company, based on the total issued share capital of the Company of 557,699,728 Shares as at the Latest Practicable Date, the maximum number of Conversion Shares of 263,157,894 shall represent: (i) approximately 47.19% of the issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 32.06% of the share capital of the Company as enlarged by the allotment and issue of the Conversion Shares.

As also disclosed in the circular of the Company dated 2 February 2012 in relation to the issue of the Convertible Notes, the Conversion Notes are subject to the following conversion restrictions:

(a) the conversion rights attaching to a Convertible Note cannot be exercised (and accordingly the Company will not issue Conversion Shares) if and to the extent that the total number of Conversion Shares (together with other Shares) with voting rights held by the holder of the Convertible Notes in question and parties acting in concert with it within the meaning of the Takeovers Code immediately after the issue of the relevant Conversion Shares would be more than 29.99% of the enlarged issued share capital of the Company or of such other amount equal to 0.1% below the amount as may be specified in the Takeovers Code as being the level for triggering a mandatory general offer;

(b) if the Conversion Shares are to be issued to a connected person in which case the exercise of the relevant Conversion Rights will be subject to approval of the Shareholders in a general meeting (if required) and in compliance with relevant requirements of the GEM Listing Rules; and

(c) the maintenance of the public float as required under Rule 11.23 of the GEM Listing Rules immediately after issue of the Conversion Shares.

As at the Latest Practicable Date, the Company has no intention to redeem the Convertible Notes, and as informed by the First Vendor, they have no intention to exercise the conversion right attached to the Convertible Notes for the time being. The Board would like to aver that the sale and purchase of the Convertible Notes is a transaction between the First Vendor and the then holder of the Convertible Notes which does not concern the Company. The Board confirms that the proposed Acquisition has no relation with the acquisition of the Convertible Notes by the First Vendor, and the two transactions are independent and unrelated to each other from the Company's perspective.

Assets to be acquired

The Sale Shares, representing the entire issued share capital of the Target Company, and the Sale Loan, representing all the obligations, indebtedness and liabilities due by the Target Group to the First Vendor at Completion, whether actual, contingent or deferred and irrespective of whether or not the same is due and payable at Completion.

The Sale Shares shall be sold by the Vendors as legal and beneficial owners free from any encumbrance and together with all rights attached thereto as from the Completion. The Sale Loan, including all the benefits, ownership, interest and rights shall be sold by the First Vendor as beneficial owner free from any encumbrances. The Sale Loan of approximately HK$67,021,000, represents all the amounts due to the First Vendor by the Target Group as at Completion, is unsecured, interest-free and repayable on demand.

Consideration

The aggregate Consideration shall be HK$85,000,000, comprising HK$17,979,000 for the Sale Shares and HK$67,021,000 for the Sale Loan on a dollar-for-dollar basis respectively, which has been/will be satisfied by the Purchaser in the following manner:

(1) as to HK$38,000,000 in cash as refundable deposit (the "**Deposit**"), has been satisfied by the Purchaser within 3 calendar days after signing of the Addendum to the Vendors (being HK$33,812,000, HK$3,698,000 and HK$490,000 to the First Vendor, the Second Vendor and the Third Vendor respectively) under the Addendum; and

(2) as to the remaining balance of HK$47,000,000, will be paid in cash by the Purchaser to the Vendors (being HK$41,819,000, HK$4,574,000 and HK$607,000 to the First Vendor, the Second Vendor and the Third Vendor respectively) upon Completion.

In the event that Completion does not take place in accordance with the terms of the Sale and Purchase Agreement as a result of the sole default of the Purchaser or, as the case may be, the Company, the Vendors shall forthwith be entitled to retain HK$19,000,000 out of the Deposit as liquidated damages and shall as soon as practicable and in any event within five Business Days after the date of the notice of termination refund a sum equivalent to the difference between the Deposit and HK$19,000,000 (without interest) to the Purchaser and in full and final settlement of any liabilities of any parties towards the other parties and whereupon neither party to the Sale and Purchase Agreement shall take any action to claim for damages or to enforce specific performance or any other rights and remedies.

In the event that Completion does not take place in accordance with the terms of the Sale and Purchase Agreement as a result of the sole default of any of the Vendors, the Vendors shall forthwith refund the Deposit (without interest), and together pay HK$19,000,000, an amount equivalent to 50% of the Deposit as liquidated damages, to the Purchaser and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies.

In any other event that Completion does not take place in accordance with the terms of the Sale and Purchase Agreement otherwise than due to the sole default of either the Purchaser or the Vendors, the Vendors shall forthwith refund the Deposit (without interest) to the Purchaser, and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies save for any antecedent breaches of the terms of the Sale and Purchase Agreement.

Basis of Consideration

The Consideration was arrived at after arm's length negotiation among the Purchaser, the Vendors and the Company with reference to (i) the unaudited consolidated net assets value of the Target Group of approximately HK$51,857,000 as at 31 December 2012; (ii) the price to earnings ratio of approximately eight times derived based on the average earnings of the Target Group for the two years ended 31 December 2012 of approximately HK$10,110,000 and the consideration of HK$85,000,000; (iii) the adjusted EBITDA (as defined below); (iv) the benefits to be derived by the Group from the Acquisition as mentioned hereinbelow; (v) the business prospects of the Target Group; and (vi) the stable and strong cashflow generated by the Target Group by reference to the increasing trend of the overall revenue to the number of health check centres and that the revenue generated from the Target Group is significantly more than the revenue generated from the Company when compared with the corresponding period.

The Directors had considered a number of parameters for the basis of the Consideration. The Board considers the price to earning ratio (P/E ratio) of approximately 8 times to be appropriate and fair as it is at the lower end when compared to the price to earnings ratio of various comparable listed companies engaging in health and personal care businesses (including the provision of management services and operating of hospitals and clinics, provision of medical equipment and services for the operation of its health check centre network, and provision of medical diagnostic, health check and medical appraisal services) similar to those of the Target Group which range from approximately 7 times to 14.9 times during March 2013 to early April 2013. Reference is made to, among others, the P/E ratio of approximately 12.73 times for Golden Meditech Holdings Limited (Stock code: 801) in or about March 2013, the P/E ratio of approximately 14.9 times for Mingyuan Medicare Development Company Limited in or about March 2013, and the P/E ratio of approximately 7 times for China Renji Medical Group Limited (Stock code: 648) in or about early April 2013 after its resumption of trading on the Stock Exchange.

The objective of price to earnings ratio information is to provide a basic measurement of the simple average of the past performance of the Target Group over the two years compared with the Consideration. The Directors noted that the earnings before interest, taxation, depreciation and amortization ("**EBITDA**") of the Target Group were approximately HK$22,655,000 and HK$46,166,000 in 2011 and 2012 respectively. Taking into account the one-off loss or gain on disposal of property, plant and equipment and disposal of subsidiary, the adjusted EBITDA of the Target Group would have been HK$24,249,000 and HK$23,156,000 in 2011 and 2012.

Moreover, by reference to the accountant's reports of the Target Group for the two years ended 31 December 2012 respectively, the net cash generated from operating activities were amounted to HK$21,429,000 and HK$16,832,000 for the year 2011 and 2012 respectively. While EBITDA is not a generally accepted accounting principle, the Directors are of the view that the P/E ratio can provide a general idea about the potential internal payback of the Enlarged Group in the future. As such, the Directors consider it is fair and appropriate for making references from the P/E ratio of those listed companies in terms of the business they are engaging in and the place of listing of their issued shares. The Consideration is intended to be funded by (i) the internal resources of the Group; (ii) the net proceeds to be received from the Fund Raising Exercise; and (iii) part of the net proceeds from the Open Offer.

In view of the above, the Directors consider that the Consideration has been determined on normal commercial terms that are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Working capital of the Company

For the proposed Fund-Raising Exercise, the Board is pleased to inform that a mortgage facility as secured by the Property of HK$16,000,000 has been obtained by the Group. Such facility and another available and unutilized facilities from financial institution of approximately HK$10,000,000 will be drawn down by the Group on or before Completion.

The cash balance of the Group as at the Latest Practicable Date was not less than HK$32 million. All the aforementioned financial resources will be utilised for settling the balance of the Consideration.

Conditions precedent

Completion shall be conditional upon satisfaction or waiver as applicable of each of the following conditions precedent:

(a) the Purchaser being satisfied with the results of the due diligence review to be conducted on the assets, liabilities, operations and affairs of the Target Group;

(b) the warranties given by the Vendors under the Sale and Purchase Agreement remaining true, accurate and complete in all respects;

(c) all necessary consents and approvals required to be obtained on the part of the Vendors in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;

(d) all necessary consents and approvals required to be obtained on the part of the Purchaser in respect of the Sale and Purchase Agreement and the transactions contemplated thereby having been obtained;

(e) if necessary, the passing by the Shareholders (other than those who are required to abstain from voting under the GEM Listing Rules) at an extraordinary general meeting of the Company to be convened and held of the necessary resolutions to approve the Sale and Purchase Agreement and the transactions contemplated thereunder; and

(f) the Purchaser having sufficient fund available to settle the Consideration in full.

The Purchaser may waive conditions (a), (b) and (f) (to the extent it is capable of being waived) above at any time by notice in writing to the Vendors. If the conditions have not been satisfied or waived, other than as a result of the default of the Purchaser and/or the Company at or before 4:00 p.m. on 30 September 2013, or such later date as the Vendors and the Purchaser may agree, the Sale and Purchase Agreement shall cease and determine, thereafter the Vendors shall forthwith refund the Deposit (without interest) to the Purchaser in any event, and no parties to the Sale and Purchase Agreement shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof. As at the Latest Practicable Date, condition (f) above has been fulfilled.

Completion

Completion will take place on the second Business Day after the date on which the conditions precedents above have been fulfilled or waived by the Purchaser. Immediately after Completion, the Group will hold the entire issued share capital of the Target Company and the results of the Target Group will be consolidated into the financial statements of the Group upon Completion.

RISK FACTORS RELATING TO THE TARGET GROUP

Risk Relating to the Business Operation of the Target Group

Potential exposures to professional liability

Though the services are performed by the qualified medical practitioners and laboratory technicians in the health check centres and the laboratories, it is possible that the Target Group may face liability claims from the Customers arising from professional negligence and employee misconduct which may have an adverse impact on the Target Group's financial position and reputation. The Target Group has adopted internal control measures and protocol for provision of the medical services. However, there is no assurance that such measures can completely eliminate the risk for professional negligence and/or employee misconduct, and failure to defend against any possible claims could adversely affect the business reputation or operation of the Target Group.

Although the Target Group has taken out necessary insurance policies and professional indemnity insurance against the possible liability for the services provided by it in Hong Kong, such insurance coverage may not be adequate to cover claims that Customers may bring against the Target Group. A claim which gives rise to liability exceeding the amount insured could have a material adverse effect on the Target Group's business, growth prospects, income and results of operations and/or financial position. Further, there is no assurance that the Target Group can continue to maintain the insurance coverage to the same extent or without increased costs in the future.

Government regulation

Hong Kong is a special administrative region of the PRC with its own government and legislature. However, there is no assurance that the current government policies, economic and social conditions and business government in Hong Kong will not undergo significant changes in future. Any new rules and regulations introduced and implemented in the future which regulates or prohibits the granting of licence and/or the provision of management and administrative service to medical practices, may increase in the operation costs, decrease in demand of services and the prices the Customers of the Target Group are willing to pay. The Target Group cannot assure that it will be able to adapt to such changes which may adversely affect the business, result of operations and financial condition of the Target Group.

Reliance on key personnel

The performance of the Target Group, to a large extent, depends on the continued service and performance of the senior management of the Target Group who have been critical in developing the business strategy and overseeing daily operation of the Target Group, including but not limited to recruit of suitable medical practitioners involve in the business. The continued success of the Target Group also relies on the continued service of the medical practitioners and radiologists who possess the necessary expertise and industry experience in the medical diagnostic and health check services the Group is proposed to invest in. If the Target Group fail to retain the key personnel or fail to attract the qualified staff necessary for its operation and growth of the business subsequent to the Completion, it may not possible for the Target Group to promptly recruit suitable candidates to replace them and could severely disrupt the business and prospect of the Enlarged Group. In such circumstance, the business of the Target Group may be significantly and adversely affected by any unanticipated departure of any of the senior management members of the Target Group.

Relying on services provided by medical and qualified practitioners

The major service provided by the Target Group is the provision of medical diagnostic and health check services. Generally, the service agreement entered into between the Target Company and each of the radiologists is for a term of three years unless such agreement is terminated in accordance with the terms therein and employment contracts had been entered into by the Target Group with other members of the healthcare service team. There is no assurance that the medical and qualified practitioners employed by the Target Group would renew their respective service agreement upon expiry of the term and/or that their respective service agreement and/or employment contracts may be terminated prior to the expiry of the term. In such event, the business of the Target Group may be adversely affected if the Target Group is not able to procure services of medical and qualified practitioners for carrying out its services.

Potential professional misconduct or negligence of its medical practitioners

The Target Group may be liable for the professional misconduct or negligence of its medical practitioners. There were ethical guidelines issued by the Medical Council of Hong Kong to medical practitioners in Hong Kong and the Medical Council of Hong Kong under the Medical Registration Ordinance may investigate complaints made against medical practitioners in relation to alleged professional misconduct. In the event a medical practitioner is found guilty of professional misconduct, the Medical Council of Hong Kong are empowered to impose sanctions on the subject medical practitioners, including but not limited to issuing a warning notice, issuing a reprimand, issuing a reprimand in the Hong Kong Government Gazettes, suspension of practice for a certain period of time and/or to remove the medical practitioner's right to practise medicine.

The Target Group may also be subject to claims for professional misconduct or negligence arising from the acts or conduct of the medical practitioners employed by it. Legal actions against the Target Group or the medical practitioners employed by it may have a material adverse impact on the Target Group's financial position due to the legal expenses involved and any possible judgment made against the Target Group.

Competitive remuneration packages to its employee

The Target Group involves the knowledge-intensive industry, it is required to recruit high quality employees to secure its operations. The Target Group remunerates its employees at a competitive package for inciting their contributions, resulting in about 50% of the revenue being allocated to the salary and related expenses. In addition, the competition for personnel from other health check service providers would cause the Target Group to offer higher compensation and benefits in order to attract and retain high quality medical practitioners, radiologists and other medical experts, which could materially and adversely affect the financial condition and results of operations of the Target Group.

Non renewal of tenancy

The Target group does not own any premises for its operation, the existing laboratories and health centres has entered into tenancy agreements with different landlords, there is possibility that any of the landlords, for any reasons, might choose not to renew the lease upon expiry. As such, business may be interrupted, and alternative site will be needed and additional capital expenditure will be charged. There is also no assurance that the Target Group will be able to find comparable alternative locations as favourable to the Target Group as those of its existing locations.

Failure to maintain effective quality control system, safe control, its reputation and revenue

The performance and quality of services provided by the Target Group are critical to its Customers, its reputation and ultimately, its success. The effectiveness of the Target group's quality control system is determined by various factors, including the design of system, implementation of quality standards, quality of training programs to its employees and the mechanism to ensure its employee's adherence to the quality control policies and guidelines, and its ability to monitor and manage the supplier quality system. If the Target Group fails to maintain a quality control system, the quality of its services may be compromised and it may in turn be exposed to claims from its Customers.

Moreover, the services may include high risk protocol which is invasive, failure in maintain adequate safety control may adversely affected the operation and business of the Target Group.

Furthermore, the Target Group is providing a range of services under different brand names, any adverse publicity associated with any branch centre may result in loss of Customers of the entire health check centres chain under the same brand name, which may adversely affect confidence of Customer to the Target Group and considerable resources may have to be invested in brand rebuilding.

Risk Factor Relating to Industry in which the Target Group Operates

Competition

The competition in the health and personal care industry is strong. Increased competition could result in price reduction, reduced profit margins and loss of market share, any of which could materially adversely affect operating results. Moreover, the market players are vigorously competing with both public and private sector for human resources which increase the financial burden for remuneration for employees.

Technology fade out, arise of new technology

The development in methodology and protocol in the health and personal care industry is rapid, new technology in the industry may arise and fade out the existing one. If the Target Group fails to respond to the rapid emerging new and innovative technological changes, it may adversely affect the performance of the Target Group.

Adverse condition in the local economies

Economic growth is one of the driving forces of growth in spending on healthcare services. Any adverse changes in the economy of Hong Kong, may adversely affect the confidence of consumer on spending, hence, the overall performance of the Target Group.

Outbreak of epidemic diseases

Hong Kong economy has experienced significant downturn in connection with the outbreak of SARS in 2003, such downturn has materially affect the use of clinic and healthcare services, if the similar situation re-occurs, the performance of the Target Group will be adversely affected.

Uncertainty over market acceptance for the target group's products and services

The future of the Target Group's business will depend on the success in achieving such market acceptance for its products and services. If the Target Group fails to achieve such market acceptance for the Target Group's products and services, the Target Group's operations and financial performance will be materially adversely affected.

INFORMATION ON THE TARGET GROUP

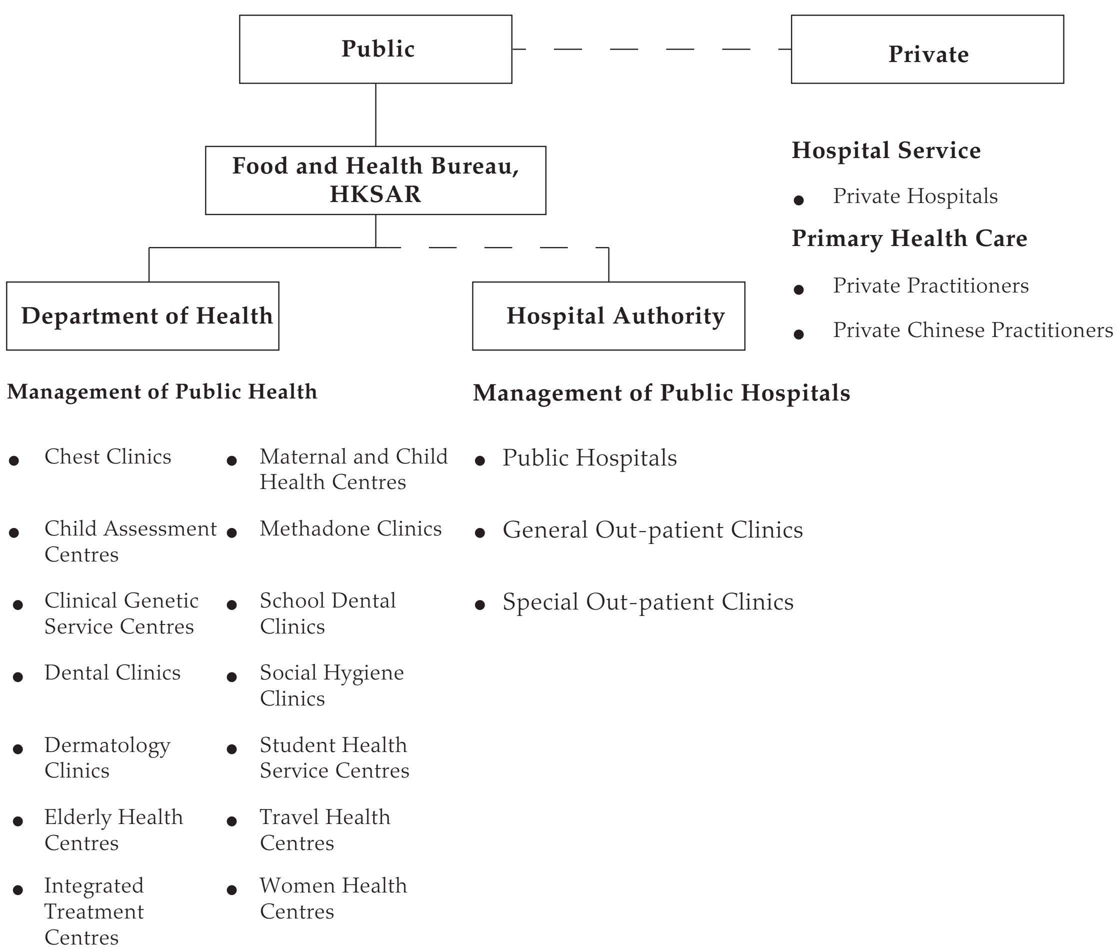
Industry Overview

The diagnostic imaging and medical laboratory market in Hong Kong offers analytic or diagnostic services, including body fluid analysis and diagnostic imaging. In general, such tests are done for patients with referrals from healthcare professionals.

The diagnostic imaging industry is a significant market for medical practice in Hong Kong which provides services for producing images, via diagnostic equipment, of the patient with referrals from healthcare professionals to assist in the diagnoses of diseases. Imaging laboratory set-ups would generally include CT scanner, MRI scanner, X-Ray, mammography, USG and radiological devices while medical laboratories offering analytic services, including blood analysis, bacteriological analysis and medical pathology, etc.

Typically, a sizeable medical laboratory would gather samples from a broad geographical base which can realise significant economies of scale in the industry while a medical laboratory with a smaller scale would often be benefited from specialising in analysis and its service scope to enhance competitiveness. Some of the laboratories would maintain their competiveness through mergers and acquisitions, and by developing faster, cheaper and less invasive testing procedures. Having said that, diagnostic imaging centres will not be affected by the economics of scale as they are operating on a client-oriented basis, focusing to provide healthcheck services from the perspective of client convenience.

In Hong Kong, public healthcare is provided through regional clusters of public hospitals. The official healthcare regulatory body is the Hospital Authority of HKSAR.



* Source: website of Hong Kong Government

The healthcare system of Hong Kong runs on a dual-track basis encompassing the public and the private sectors. Public healthcare is the corestone of our healthcare system, acting as the safety net for the whole community, while the private healthcare sector provides personalised choices and more accessible services to those who are willing and may afford to pay for private healthcare services.

Public and Private Healthcare Sectors

Both public and private healthcare sectors have their unique roles which are equally important in promoting and protecting the health of the population. In the public healthcare sector, the Department of Health assumes public health functions including health promotion and disease prevention, while the Hospital Authority provides public hospital and clinic services. The public healthcare system provides the Hong Kong population with equitable access to quality healthcare services at very affordable charges highly subsidized by the Government.

The private healthcare sector is the main provider of primary health care, and complements the public sector by providing a range of specialist and hospital services. They provide the public with various choices of healthcare, including individual aspects of care such as choice of doctors and preference of amenities. Private healthcare services are not subsidized and patients have to bear the full-cost for using them.

Market segmentation

Private healthcare services allow choice of doctors and amenities, and usually have shorter waiting time, and service charges are much more costly than the highly subsidized services in public sector.

Healthcare service providers in the privates sector ranged from private hospitals to individual practitioners, the Target Group lies between two ends. The Target Group is principally engaged in the provision of medical diagnostic and health check services and operates nine health check centres and two laboratories in Hong Kong providing one-stop comprehensive and quality medical diagnostic and health check services with advanced imaging technology and full-range laboratory services.

Among the providers of similar services, the Target Group is more affordable and convenient comparing with hospitals as no hospitalization is required and relative comprehensive compare with individual practitioners.

Industry opportunities and outlook

Recent scientific advances in understanding human physiology and pathology create a growing need for new tests and a stronger demand for existing tests. In addition, the low cost and high preventative value of laboratory tests have led health officials to recommend that large numbers of people to be tested for certain conditions, or that certain tests shall become routine medical testing for all patients.

The most expensive component of the healthcare industry is hospitalisation, and it can often be avoided if pre-hospitalisation laboratory tests and X-Rays could be performed to determine the possibilities of out-patient treatment. Laboratory testings are therefore became more and more attractive, especially for employers and insurers.

With the increasing awareness about early detection and prevention of diseases and the aging population in Hong Kong, the demand for screening and laboratory tests continue to rise so as the budgets for consulting healthcare services, including but not limited to the demand for diagnostic imaging (particularly high end imaging). The medical laboratories industry certainly offers excellent potential for growth going forward.

Description of business of the Target Group

The Target Group is principally engaged in the provision of medical diagnostic and health check services. The principal assets of the Target Company include its equity interests in companies holding the operation of nine health check centres and two laboratories in Hong Kong providing one-stop comprehensive and quality medical diagnostic and health check services with advanced imaging technology and full-range laboratory services. The underlying assets of the nine health check centres and two laboratories are mainly consist of the medical equipments used for the operation of its medical diagnostic and health check services. As at the Latest Practicable Date, the Target Company is owned as to approximately 47.89%, 46.01% and 6.10% by the First Vendor, the Second Vendor and the Third Vendor respectively.

Target customers

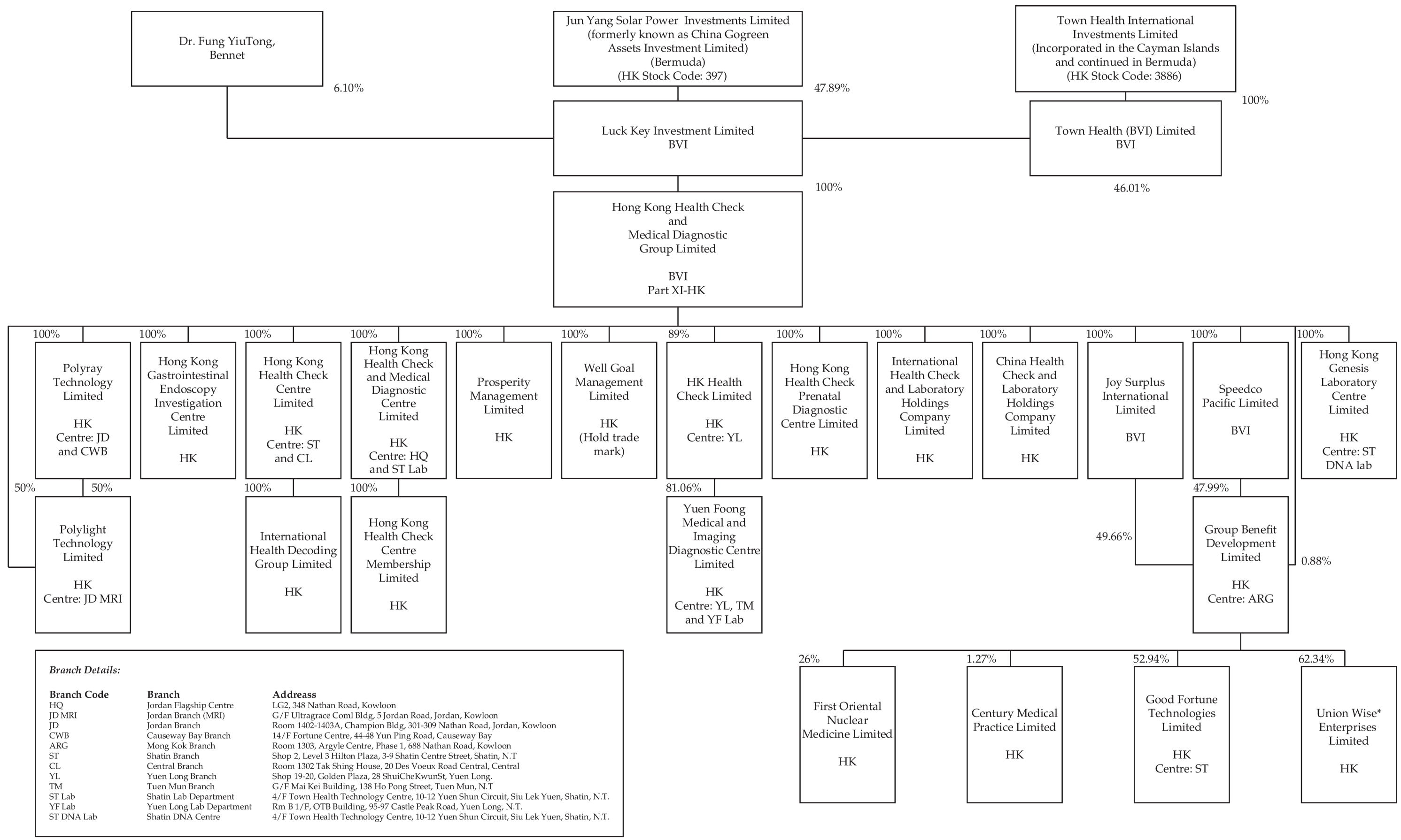
The Target Group is targeting on the Customers who are seeking high quality healthcare service with better price and shorter waiting time.

Position of the Target Group in the Hong Kong market

The Target Group was established in or about 2006 and has been expanding its network through a number of significant acquisitions and centres consolidation. A wide spectrum of diagnostic imaging and medical laboratory services is being offered by the Target Group, which is a key differentiator from the competitors. Strong customer service and customer centric business orientation is also another major differentiator of the Target Group. Over the years, the Target Group has been rewarded a number of prestigious and important awards including the Caring Company and Community Engagement Award-Certificate of Merit etc., details of which, please refer to the sub-paragraph headed "Award and accreditation" under the paragraph headed "Competitive strength" in the "Letter from the Board" in this circular, and the Target Group is well recognized as one of the leading players in the industry.

The Group structure of the Target Group

Set out below is the group structure of the Target Group immediately prior to the Completion:

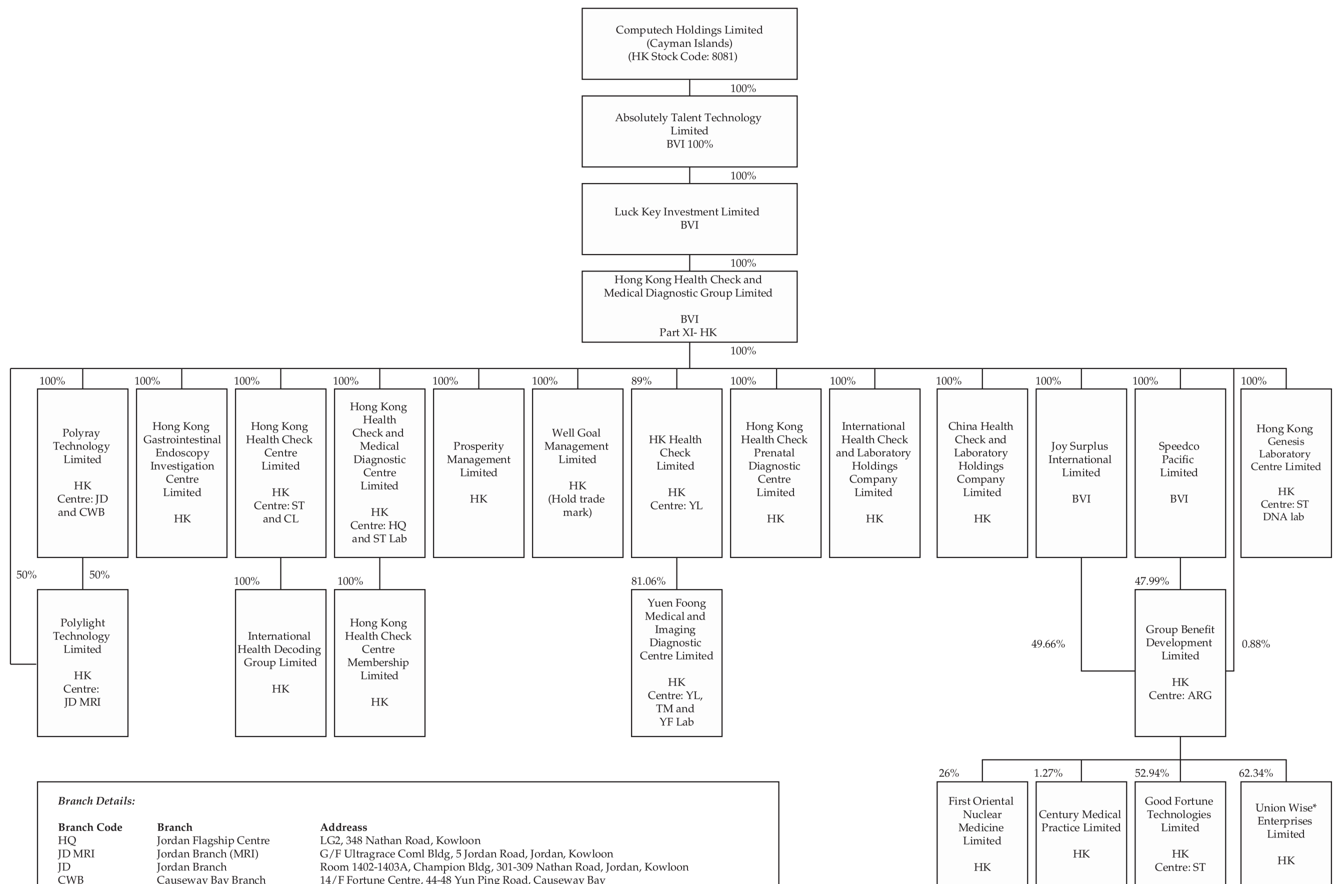


Branch Details:

Branch Code	**Branch**	**Addreass**
HQ	Jordan Flagship Centre	LG2, 348 Nathan Road, Kowloon
JD MRI	Jordan Branch (MRI)	G/F Ultragrace Coml Bldg, 5 Jordan Road, Jordan, Kowloon
JD	Jordan Branch	Room 1402-1403A, Champion Bldg, 301-309 Nathan Road, Jordan, Kowloon
CWB	Causeway Bay Branch	14/F Fortune Centre, 44-48 Yun Ping Road, Causeway Bay
ARG	Mong Kok Branch	Room 1303, Argyle Centre, Phase 1, 688 Nathan Road, Kowloon
ST	Shatin Branch	Shop 2, Level 3 Hilton Plaza, 3-9 Shatin Centre Street, Shatin, N.T
CL	Central Branch	Room 1302 Tak Shing House, 20 Des Voeux Road Central, Central
YL	Yuen Long Branch	Shop 19-20, Golden Plaza, 28 ShuiCheKwunSt, Yuen Long.
TM	Tuen Mun Branch	G/F Mai Kei Building, 138 Ho Pong Street, Tuen Mun, N.T
ST Lab	Shatin Lab Department	4/F Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, N.T.
YF Lab	Yuen Long Lab Department	Rm B 1/F, OTB Building, 95-97 Castle Peak Road, Yuen Long, N.T.
ST DNA Lab	Shatin DNA Centre	4/F Town Health Technology Centre, 10-12 Yuen Shun Circuit, Siu Lek Yuen, Shatin, N.T.

* Under members' voluntary winding up

Set out below is the group structure of the Target Group immediately after to the Completion:



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* Under members' voluntary winding up

Financial information of the Target Group

Set out below are the unaudited consolidated financial results of the Target Group for each of the two years ended 31 December 2012 prepared in accordance with Hong Kong Financial Reporting Standards:

	For the year ended 31 December 2011 (unaudited) *HK$'000*	For the year ended 31 December 2012 (unaudited) *HK$'000*
Turnover	193,086	185,666
(Loss)/profit before tax	(3,612)	20,486
(Loss)/profit after tax	(1,422)	21,659

As at 31 December 2012, the unaudited consolidated net assets value of the Target Group was approximately HK$51,857,000.

Current operation of the Target Group

Strategically, the Target Group is focused on the high end imaging market. In terms of demographics, the emphasis is on Customers aged 35 years old or above who would be more health conscious and have stronger spending power on health check services. The Target Group operates in a highly competitive environment with competition coming from private hospitals and well established imaging centres and laboratories. The strategies going forward would be to expand the existing network to locations which have potentially strong demands for high end imaging.

As at the Latest Practicable Date, the Target Group was operating nine health check centres located in Central, Causeway Bay, Jordon, Mong Kok, Shatin, Tuen Mun and Yuen Long respectively in Hong Kong which offer a comprehensive range of services including PET-CT, MRI, CT Scan, Endoscopy, Cardiac Check up, USG, Mammography, DEXA, X-Ray and laboratory services.

As at the Latest Practicable Date, the Target Group was also operating two laboratories in Shatin and Yuen Long to supplement its health check services and providing comprehensive preventive health check service, including but not limited to blood analysis, DNA analysis, allergy tests, urine examinations, stool examinations, toxicology and microbiology. One of which has the HOKLAS accreditation, an identification and recognition of competent testing and calibration laboratory in Hong Kong.

Business model

The Target Group provides a wide range of medical diagnostic and health check services, including high-end imaging and laboratory examinations to the Customers through operation of health check centres and laboratories in Hong Kong. The customers of the Target Group can be categorised into two types: (i) patients (the "**Patients**") from medical practitioners, associated medical network and the Hospital Authority; and (ii) client (the "**Clients**") from corporate and individual patients. The proportion of the Patients to the Clients during the Track Record Period are approximately 80%-90% to 10%-20%.

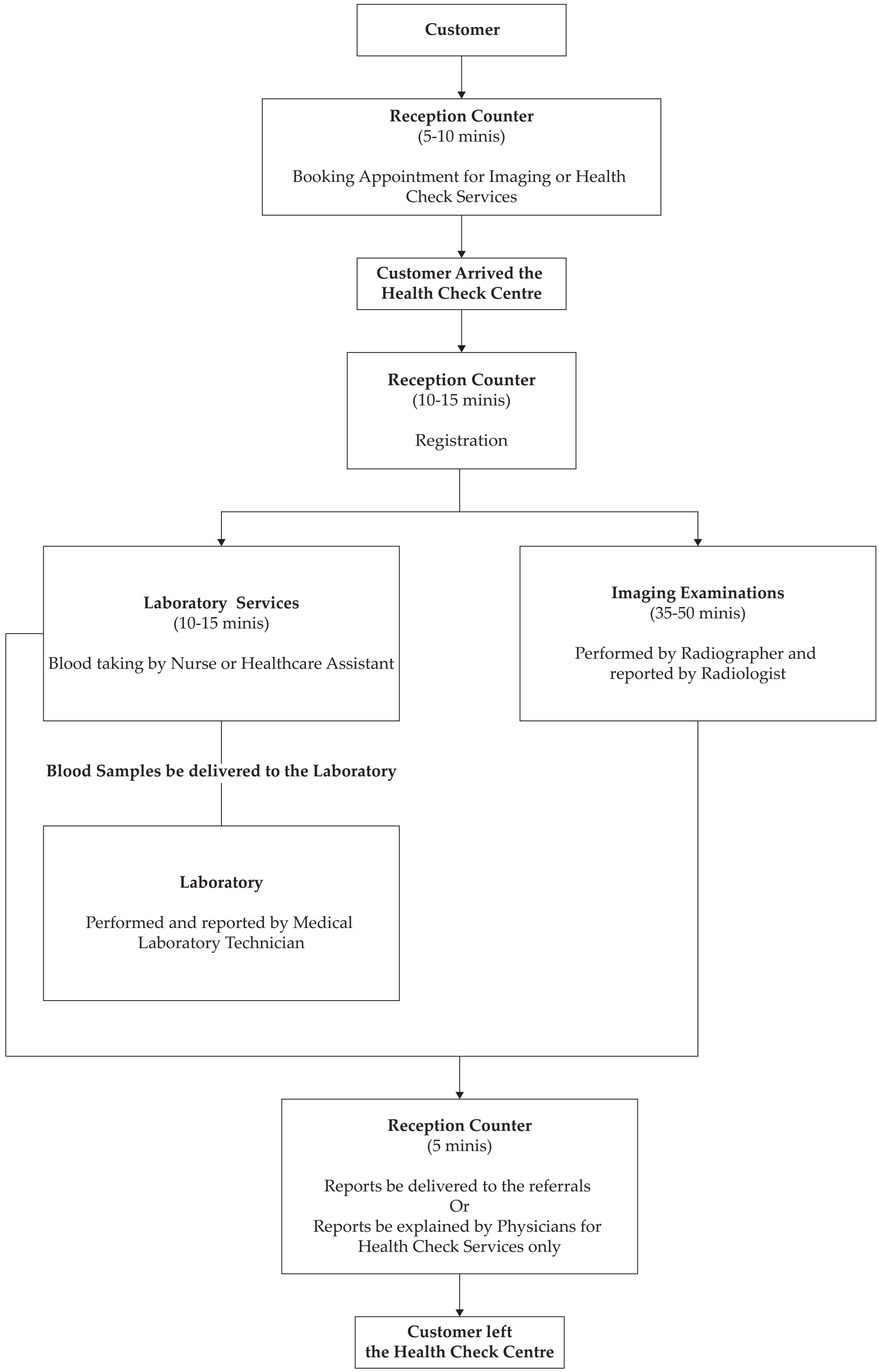
The associated medical network including but not limit to BUPA (Asia) Limited, Health Maintenance Medical Practice Limited, Healthcare Medical and Paramedical Services Operations (HK) Limited and AIA International Limited, who provides high quality medical services to their clients. These associated medical network offer a full range of medical services, including General & Specialists Services, Dental Services, Physiotherapy Services, Laboratories & Imaging Services and other auxiliary medical services. In general, each of the aforesaid associated medical network has over 100 affiliated clinics in Hong Kong. The Target Group has signed contracts with each of the aforesaid associated medical network as service provider. For the Patients from the medical practitioners and the Hospital Authority, save for the fact that the Target Group has won one tender for provision of services for the pilot project on enhancing radiological investigation services through collaboration with the private sector (CT Scan and MRI) and had entered into contracts with the Hospital Authority in March 2012 in this regard, there were no agreement entered into between both the Hospital Authority and the medical practitioners. In fact, the Target Group are on the referral panel list of the Hospital Authority and the medical practitioners, there is no obligation on both of the Patients and the referrals to accept services provided by the Target Group.

All the health check assessment, examination and diagnostic services are performed at the health check centres and appointments are required to set up in advance so as to monitor the utilisation rate of the health check centres and to increase the operational efficiencies thereof.

For Patients, the healthcare service team shall direct them to have the designated examination and diagnostic services that specified in the referral letters. Under normal circumstances, the medical reports will be ready for pick up or to arrange for delivery to the referrers within three to five days after the date of health care assessment, and usually interpretation and post-check up consultation services will not be provided by our healthcare service team as the said service will be provided by the referrals.

For Clients, the healthcare service team shall provide a pre-check up consultation and/or provide tailor-made body check designed to offer a wide range of health assessment and individual diagnostic tests to accommodate the varying needs of the Clients. Detailed reports with insightful interpretation and recommendations will be prepared and explained by the healthcare service team to the Clients at their own choice of the health check centres conveniently located in Hong Kong.

Flow Chart for Medical Diagnosis and Health Check Service



The healthcare service team of the Target Group

The details of the healthcare service team by role are as follows:

Role	Number of staff	Qualifications/Education	Responsibilities
Medical practitioner	2	Annual Practising Certificate issued by Medical Council of Hong Kong	– Perform physical examination – Pap smear taking – Pre-check up consultation – Drafting and explanation of medical reports
Radiologist	9	Annual Practicing Certificate issued by Medical Council of Hong Kong Irradiating Apparatus Licence by Radiation Board	– Perform USG services – Report writing for all imaging services, which include MRI, CT, PET-CT, X-Ray, Mammography, DEXA and USG services
Radiographer	23	Annual Practising Certificate by Supplementary Medical Professions Council of Hong Kong Irradiating Apparatus Licence by Radiation Board	– Perform imaging services which include MRI, CT, PET-CT, X-Ray, Mammography, DEXA and USG services
Registered nurse	10	Practising Certificate issued by Nursing Council of Hong Kong	– Perform nursing care including blood taking, IV block setup and medical history taken
Medical laboratory technician	11	Annual Practising Certificate by Supplementary Medical Professions Council of Hong Kong	–Perform laboratory test and issue medical laboratory reports
Health care assistant	32	Certificate in blood taking Certificate in IV block setup Certificate in ECG training	– Perform blood taking, IV block setup and electrocardiogram

Revenue streams and contribution of each revenue stream to its total revenue

The Revenue streams are generated from Patients and Clients in a proportion of approximately 80%-90% to 10%-20% of the total revenue of the Target Group for the year ended 31 December 2012.

Major cost components and capital expenditure

Major cost component of the Target Group is employees' remuneration and related expenses which amounted for approximately 50% of the total revenue of the Target Group. The major capital expenditure of the Target Group is medical equipment and machinery, the net book value of which amounted to approximately HKD60,020,000 as at 31 December 2012.

Facilities and utilization

In general, most of the centres within the Target Group have a high level of utilization with facilities such as MRI scanner, CT scanner, PET-CT scanner, X-Ray machine, USG machine, Mammography machine, booking leadtime is around 3 days for most services. The utilization rate of the major facilities used by the health check centres of the Group, including but not limited to CT scanners, MRI scanners and PET-CT scanner, is also high and the facilities are frequently employed throughout the business hours of the health check centres. According to the management of the Target Group, these major facilities are durable and have an average lifespan of approximately 5 to 10 years.

Employees and trainings

To maintain the customer service quality standards, the Target Group hire employees with relevant expertise and they will be under supervision of the appropriate medical practitioners of the Target Group. The Target Group provides introductory and induction programs conducted by the centre-in-charge to new employees to familiarize themselves with service quality standards for a period of one to two months and general operating procedures of the Target Group. Also, regular trainings and staff briefing regarding enhancements to the operating procedures and workflows will be provided to its employees to update and improve their professional skills and knowledge from time to time. The Company will provide all employees an employee handbook to introduce the Company's values and maxim, code of conduct and business practice.

For the professional staff including medical practitioner, radiologists and laboratory technicians, the company will provide a comprehensive user manual including PET-CT, MRI, CT Scan, Endoscopy, Cardiac Check up, USG, Mammography, DEXA, X-Ray for their reference and will provide outsourcing professional training if applicable.

The Company has encouraged staff to continue with their medical education and professional development for maintaining their professional skills needed for practice in respective specialty. No internal continuing training will be provided.

Development of the Target Group

The Target Company was incorporated on 22 September 2009 and was initially wholly owned by the First Vendor.

On 15 October 2009, the First Vendor had entered into an agreement with the Second Vendor to acquire the shares of Health Walk Limited at an initial consideration of HK$70,200,000 settled by allotment and issuance of the shares of the Target Company, representing approximately 49% of the issued share capital of the Target Company. Following such event, the Target Company was owned as to 51% by the First Vendor and as to 49% by the Second Vendor respectively.

Further, in order to secure the long-term commitment of the Third Vendor and to recognise his contribution to the Target Group, a subscription agreement was entered into between the Target Company and the Third Vendor in October 2010, for the allotment and issuance of 650 new shares of the Target Group, representing approximately 6.1% of the issued share capital of the Target Company. After such allotment, the Target Company was owned as to 47.89% by the First Vendor, as to 46.01% by the Second Vendor and as to 6.01% by the Third Vendor respectively. Since then, the shareholding structure of the Target Group remains unchanged.

The Target Group commenced its business in June 2006 by providing health check referral services to patients and in November 2006, a comprehensive one-stop health check centre was established to provide medical diagnostic and health check services to the public. The said health check centre is a flagship centre of the Target Group which located at Nathan Road, Kowloon with a gross floor area of approximately 20,000 sq.ft. decorated in an unrivalled comfort and luxurious style, which makes it distinctive from other general centres, laboratories or hospitals providing the similar services. The centre is the one of the most advanced and comprehensive health check and laboratory services provider outside major hospitals in Hong Kong and is well-equipped with some of the most advanced diagnostic system such as MRI scanner, PET-CT scanner, CT scanner and mammography machine etc. for providing diagnostic imaging health check services.

In December 2006, the Target Group acquired 100% equity interest in Polylight Technology Limited and Polyray Technology Limited, which operated four medical diagnostic centres under the name of "OPUS" in provision of medical diagnostic and laboratory services. Over 15 years of experience in medical imaging, OPUS Medical Diagnostic Centre is one of the major imaging and laboratory centres in Hong Kong. It set up the first MRI Centre at Jordan since 2000 and was become a renowned centre. It had supported by a team of well experienced radiologists and was therefore developed as a medical provider with different major medical insurance companies and Health Maintenance Organization. As such, OPUS is believed to be a medical diagnostic company in Hong Kong with well-established reputation in the industry in 2006. By employing the provision of medical diagnostic services and provision of medical MRI services offered by Polylight Technology Limited and Polyray Technology Limited, the acquisition greatly strengthened and broadened the technological support of the Target Group.

During June 2007 to June 2009, the Target Group acquired an aggregate of 98.53% equity interest in Group Benefit Development Limited ("**Group Benefit**"), a local company together with its subsidiaries specialises in the provision of medical diagnostic scanning and laboratory services under the name of "C.T. Scan". The strategic move brought four more health check centres under the Target Group's control.

In December 2010, the Target Group acquired 72.14% of equity interest in Yuen Foong Medical and Imaging Diagnostic Centre Limited ("**Yuen Foong**"), a company that provide medical diagnostic and laboratory services under the name of "Yuen Foong". Such strategic acquisition brought three additional health check centres located in Tuen Mun, Sheung Shui and Yuen Long and one laboratory located in Yuen Long under the Target Group's control in the New Territories.

In or about January 2011, a new branch health check centre was opened in Central. In the same year, after the acquisition of Group Benefit and Yuen Foong, in order to enhance the cost efficiency and to streamline the management structure of the health check centres in Shatin and Yuen Long, the Target Group combined two health check centres in Shatin (previously operated by Group Benefit and the Target Group respectively) into one and so the two health check centres in Yuen Long (previously operated by Yuen Foong and the Target Group respectively).

In 2012, in view of the high concentration of health check centres of the Target Group in the Yau Tsim Mong District by having 5 centres in Mongkok, Jordan and Tsim Sha Tsui in total, the Target Group decided to close down its health check centres in Tsim Sha Tsui.

During the Track Record Period, there were certain small-scale health check centres operated by the Target Group located in residential areas and mainly to provide X-ray, blood taking and Resting ECG services. As the Target Group was optimistic about the future prospectus of diagnostic imaging and medical laboratory services, and in order to strength the market position of the Target Group as one-stop health check service provider and to focus on developing centres equipped with high-end imaging facilities, the Target Group also closed down three health check centres located in Kwai Fong, Kwun Tong and Hung Hom, each accounted for less than 2% of the total turnover of the Target Group during each of the two financial years ended 31 December 2011 respectively, after considering their less promising financial performances and limited scope of services provided. Notwithstanding the decrease in number of health check centres of the Target Group as a result of the abovementioned expansion and consolidation, the revenue of the Target Group generated from the health check centres had recorded a steady growth during the Track Record Period.

Currently, the Target Group is operating an aggregate of nine health check centres and two laboratories conveniently located in Central, Causeway Bay, Jordon, Mong Kok, Shatin, Tuen Mun and Yuen Long under the brand of "HKHC", "OPUS", "C.T. Scan" and "Yuen Foong".

The following summarises the number of health check centres and laboratories during the Track Record Period and up to the Latest Practicable Date:

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013	As at the Latest Practicable Date
Number of health check centres	16	13	11	9	9
Number of laboratories	2	2	2	2	2

Major customers and suppliers

With the Patients referred to the Target Group by medical practitioners, the referrals have been provided as a result of established relationships in the past. For the associated medical network, there are signed contracts with some of the associated medical network as service providers. There are also signed contracts with the Hospital Authority for tender. In addition, the Target Group has partnered with the Hospital Authority regarding an Image Sharing Program (for medical diagnostics) which greatly shortens the time required for Patients to get medical help.

For the Clients from corporate customers, the relationships are also governed by contracts. Individual Patients would usually generated by advertising or other marketing campaigns. As advised by the Vendors, the percentage of contribution of top five customers to the Target Group's total revenue during the Track Record Period are approximately 10%, 9%, 12% and 17% for the financial years ended 31 December 2010, 2011, 2012 and the five months ended 31 May 2013 respectively.

Hong Kong Cyclotron Laboratories Limited is the supplier for Fluorodeoxyglucose (18 F) for PET-CT services. Carestream Health Hong Kong Limited is the supplier for X-Ray films for all modalities. Siemens Limited is the major supplier to supply reagents for two laboratory services. As advised by the Vendors, the percentage of contribution of top five suppliers to the Target Group's total purchases during the Track Record Period are approximately 34%, 45%, 51% and 61% for the financial years ended 31 December 2010, 2011, 2012 and the five months ended 31 May 2013 respectively.

Management expertise

Dr. Fung Yiu Tong, Bennet, aged 46, joined the Target Group in 2006 and currently as the chairman of the Target Group. Dr. Fung graduated from the University of Hong Kong and holds the qualifications of MBBS (HK), MRCGP, DCH (London), DFM (CUHK) and Dip Med (CUHK). He is responsible for the strategic development of the Target Group's health check business. He is in-charge of the overall supervision of the medical health check division of the Target Group. He is also a director of a number of subsidiaries of the Target Company. Dr. Fung is a registered medical practitioner registered in accordance with Medical Registration Ordinance (Chapter 161 of the Laws of Hong Kong) who has been a practising registered medical practitioner for over 19 years.

Mr. Cho Kwai Yee, Kevin, aged 51, is currently the Chief Executive Officer of the Target Group and joined the Target Group in 2006. He is also a director of a number of subsidiaries of the Target Company. Mr. Cho is responsible for the business development and strategies planning; overseeing the operations, finance, human resources and marketing functions of the Target Group. Mr. Cho has over 25 years of experience in various senior executive positions in a number of major corporations. Mr. Cho holds a Bachelor Degree in Engineering from New Castle Upon Tyne Northumbria University and Bachelor Degree in Business Studies (Finance) from University of Greenwich in United Kingdom. In associated with the current business nature of Target Group, Mr. Cho has completed the course of Diploma in Management Studies in the Hong Kong Polytechnic University, Diploma in Applied Nutrition and Family Health in the Chinese University of Hong Kong and Advanced Diploma in Nutrition in the International Cosmetology Training Institute of Hong Kong.

Dr. Lam Wai Man, Wynnie, aged 49, joined the Target Group in 2008 and is currently working as Chief of Radiology Department. She is responsible for overseeing the management, operations and quality assurance of the entire Radiology service within the Target Group. In addition, she also plays a vital role in the development of major strategic directions for the Target Group, as well as the implementation of such strategies. Dr. Lam graduated from the University of Hong Kong, holds the following medical degrees, including MBBS (HKU), MD (CUHK), FRCR (UK), FHKAM (Radiology) and FHKCR (HK). Dr. Lam has served as an academic staff at the Medical Faculty of the Chinese University of Hong Kong from 1994 to 2008. During her academic years, Dr. Lam has published more than 230 papers in indexed journals with her main research interest in MRI and CT. She has been the principal investigator/co-investigator being awarded more than 20 competitive and non-competitive research grants. Dr. Lam had been on the editorial board for two overseas medical journals, namely European Journal of Radiology and Journal of Cardiovascular Magnetic Resonance. She has also been the invited reviewer for many other indexed journals, including Stroke, Journal of MRI and Clinical Radiology. Apart from her medical qualifications, she also holds an MBA (University of Hull) and LLB (2nd upper Hons, London University).

Dr. Chan Po Nin, David, aged 42, joined the Target Group in 2006 and is currently working as a Consultant Radiologist. In addition to his day to day duties as a Radiologist, he is responsible for the overall management of the Flagship centre of the Target Group in Jordan. Dr. Chan graduated from the Chinese University of Hong Kong and holds the qualifications of MBChB (CUHK), FRCR (UK), FHKCR and FHKAM (Radiology). During his service in the Hong Kong Hospital Authority, he has taken active role in management including deputy head of Fluoroscopy and General X-Ray team and he has 10 publications in indexed and non indexed journals. He has extensive overseas training including general radiology in Addenbrook's Hospital, Cambridge University in UK, emergency radiology in Massachusetts General Hospital in USA and PET-CT training in Mount Elizabeth Hospital in Singapore.

Ms. Carrie Woo, aged 48, joined the Target Group in 2007, and is currently working as a General Manager. Her primary responsibilities include overseeing operational issues among different business units within the Target Group as well as assisting the chief executive officer of the Target Group in enhancing and driving the performance and efficiencies of the operation of the Target Group. Ms. Woo is a Registered Nurse and has 25 years of professional experience in the healthcare and medical field and has taken up senior management role since 2000.

Competitive strengths

Extensive and strategic location of health check centres

The Target Group strategically locates its health check centres in Hong Kong with extensive geographical coverage in Central, Causeway Bay, Jordan, Mong Kok, Shatin, Tuen Mun and Yuen Long, which allow it to provide full medical services to the Customers.

Established customer base

As at the Latest Practicable Date, the Target Group has well-established and stable business relationships of 8 to 17 years with its major Customers. The top five Customers of the Target Group for the year end 31 December 2012 are two medical insurers and three healthcare service providers. The Target Group has been cultivated long-term relationships with a number of its key Customers. To further enhance the Target Group's customer service performance, internal audit will be performed for managing the booking and waiting time of Customers and corresponding actions will be taken promptly by the Target Group from time to time. In addition, the Target Group has implemented measures to enhance customer service, including but not limited to conduct surveys on its major Customers and reviewing customer satisfaction feedback forms from time to time. The Target Group developed the strong customer relationships through a management approach which foster customer service orientation that help it battle industry headwinds successfully.

Well-recognised brand name

Since 2006, the Target Group has engaged in acquisition activities to increase its market share and brand recognition. During the period from December 2006 to December 2010, the Target Group acquired the medical diagnostic scanning and laboratory services centres operated under the names of "C.T. Scan", "Yuen Foong" and "Opus", which had operating histories of more than 20 years in the industry. The Directors are of the view that the brand recognition are associated with the long operation history of the Target Group and by leveraging on over seven years of experience in the Hong Kong health care market, the Target Group have established a broad presence in Hong Kong and is well positioned to increase its market share with such a diversified scope of services being offered by its subsidiaries with a wide geographic coverage. The recognition of brand name will enable the Target Group to take advantage of the fast-growing health and personal care industry and continue to expand its market share and enhance its brand recognition.

Experienced and dedicated management team

The Target Group assembled a professional and experienced group of management personnel with extensive experience and in-depth understanding of the industry. Certain members of the senior management have more than 20 years of experience in the health care industry. For further details of the management team, please refer to the paragraph headed "Management expertise" under the section headed "Information on the Target Group" in the Letter from the Board in this circular. The health care business is characteristised by rapid changes resulting from technological advances and scientific discoveries. The technical knowledge in health and personal care industry and the relationships with industry participants allow the Target Group to better understand and respond promptly to industry trends and medical developments for its future growth.

One-stop body health check centre

One-stop healthcheck centre is to provide comprehensive and complete health check services equipped with 3T MRI Scanner, 64 Slice CT Scanner and 16 Slice PET-CT scanner in one location. Other than the provision of high-end imaging service, it also equipped with X-Ray, Digital Mammography, USG, Fibroscan, DEXA machine. In addition, the health check services includes blood taking, Resting ECG, Echocardiogram, Treadmill, Audiography, Retinography, Lung Function Test, as well as Endoscopy services. The integrated one-stop body health check centre satisfies both imaging and laboratorial needs of its Customers by providing a comprehensive range of quality health check services, medical diagnostic services and laboratory services with a full team of committed professional medical staffs, including but not limited to medical practitioners, radiologists, Consultant cardiologists, Consultant gastroenterologists, radiographers, nurses and medical laboratory technicians. All imaging and laboratory services are conducted under the direct supervision of radiologists and senior medical laboratory technicians respectively. Medical practitioners will prepare and compile a detailed medical reports for its clients which allow them to gain in-depth understandings on their health status and conditions.

Licence for operation

As confirmed by the Vendors, the Target Group has obtained all necessary licences for operation of its business, including but not limited to the Clinical Waste Collection Licence for collection and removal of clinical waste, Irradiating Apparatus Licence issued by the Radiation Board of Department of Health to possess, or possess and use, the CT, PET-CT, X-Ray, Mammography and DEXA systems by the radiologists and radiographers and Radioactive Substances Licence issued by the Radiation Board of Department of Health for the possess and use of the PET-CT system. All of its medical staffs have obtained all the necessary licences for practising in the medical industry, in particular, each of the doctors and radiologists of the Target Group is a holder of valid practising certificate issued by the Medical Council of Hong Kong and each of the radiographers and laboratory technicians is a holder of a valid practising certificate issued by the Supplementary Medical Professions Council of Hong Kong and each of the registered or enrolled nurses is a holder of a valid practising certificate issued by the Nursing Council of Hong Kong.

The major terms for the renewal of the practising certificate for all professional medical staff are set out below:

(a) Doctors and Radiologists

All medical practitioners registered in Hong Kong are eligible to register with the Hong Kong Medical Association Continuing Medical Education Programme (the "**CME**") and it is a mandatory requirement of completing a minimum of 90 credit points of CME in a 3-year cycle period of CME activities. The practicing certificate is renewable annually upon application.

(b) Radiographers and Laboratory Technicians

On a voluntary basis, requirements of completing a minimum of 45 credit points of Continuing Professional Development (the "**CPD**") in a 3-year CPD cycle. The practicing certificate is renewable annually upon application.

(c) Registered Nurses

On a voluntary basis, requirements of completing a minimum of 45 credit points of Continuing Nursing education (the "**CNE**") in a 3-year CNE cycle. The practicing certificate is renewable annually upon application.

(d) Enrolled Nurses

On a voluntary basis, requirements of completing a minimum of 30 credit points of CNE in a 3-year CNE cycle. The practicing certificate is renewable annually upon application.

In relation to the renewal of medical imaging equipment licences, including the Irradiating Apparatus Licence and Radioactive Substances Licence, a notice will be received by the Target Group from the licence issuers in or about three to five months prior to the respective expiry dates of the relevant licences and the Target Group shall submit applications for renewal accordingly.

For the Clinical Waste Collection Licence, the licence issued by the Environmental Protection Department is permanent and no renewal is required.

As confirmed by the Vendors, the Target Group has complied with all the relevant laws and regulations during the Track Record Period. There was no material breach of any applicable laws and regulations by any member of the Target Group during the Track Record Period and up to the Latest Practicable Date. Furthermore, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Group were not a party to any litigation or arbitration proceedings or any pending or threatened litigation or arbitration proceedings against the Target Group that the Directors believe would result in a material adverse effect on the financial conditions and results of operations of the Target Group.

Intellectual property rights

Trademarks

As at the Latest Practicable Date, the Target Group had been the register owner of the following trademarks:

No.	Trademark	Place of Registration	Class	Registration Number	Expiry Date
1	A YF Yuen Foong 元豐醫學 B YF Yuen Foong 元豐醫學	Hong Kong	5, 10, 44	302183832	7 March 2022
2	A B	Hong Kong	5, 10, 44	302183841	7 March 2022
3	A C.T. Scan 電腦掃描 B C.T. Scan 電腦掃描	Hong Kong	5, 10, 44	302183850	7 March 2022
4		Hong Kong	5, 10, 44	301586287	13 April 2020
5	HKHC 香港體檢	Hong Kong	5, 10, 44	301586296	13 April 2020
6		Hong Kong	5, 10, 44	302183887	7 March 2022
7	HKHC 香港體檢	Hong Kong	5, 10, 44	302183814	7 March 2022

No.	Trademark	Place of Registration	Class	Registration Number	Expiry Date
8	A B	Hong Kong	5, 10, 44	302183878	7 March 2022

Insurance

The Target Group requires all its medical practitioners to purchase at their own costs professional indemnity insurance from the Medical Protection Society Limited. The Target Group has obtained insurance coverage for medical malpractice, in particular, for the provision of medical advice, preparation and/or operation of any medical apparatus or equipment in a professional capacity, with a total limit of indemnity of approximately HK$90,000,000. In addition to the insurance purchased by each of the medical practitioners employed by the Target Group, the Target Group also purchase insurance covering all of its properties and insurance to cover public liability against any potential claims on it. As confirmed by the Vendors, as at the Latest Practicable Date, there are no legal actions against the Target Group for negligence arising from the acts of medical practitioners employed by the Target Group, nor any order or judgement against the Target Group to settle claims against medical practitioners employed by the Target Group.

Internal control measures

In general, the Target Group would perform double checking for all health check reports including demographic data before issuing the same to its Customers. In particular, the measures adopted by the Target Group to ensure the accuracy and precision of the testing results are set out below:

Laboratory services:

Repeat testing will be performed for all abnormal laboratory findings to ensure the accuracy of the laboratory reports. All laboratory reports will be issued by qualified medical laboratory technicians. The laboratory tests are accredited by Hong Kong Laboratory Accreditation Scheme which requires daily quality control tests for individual test items with track records.

Medical and imaging services:

All medical and imaging reports are issued by qualified medical practitioners and qualified Radiologists, respectively. The Chief of Radiologist will oversee and ensure the quality of such services.

Other services:

All Electrocardiogram, Echocardiogram, treadmill and all other cardiac related examination reports will be interpreted by a Cardiologist and Lung Function Tests results will be interpreted by a Respirologist. All other functional tests results will be interpreted by the respective specialists.

For each centre in the Target Group, employee handbooks with standard procedures are in place to eliminate the risk of employee misconduct.

Award and accreditation

The Target Group has received various awards and recognitions as set forth below:

	Award	**Awarding Body**
2010	Caring company	The Hong Kong Council of Social Service
	Oxfam Corporate Donor Excellence Award	Oxfam Hong Kong
	Highest Fundraising Award (Sponsoring organisation)	Oxfam Hong Kong
	Outstanding Brand Award 2010 (Health Check Centre)	Economic Digest
	The Best SME Partners 2010 (The Best Employee Medical Service)	Economic Digest
	The 10th CAPITAL Outstanding Enterprise Awards	CAPITAL

	Award	Awarding Body
2011	Oxfam Outstanding Corporate Donor Award	Oxfam Hong Kong
	The Outstanding Corporate Strategy Awards 2011	East Week Magazine
	The Best SME Partners 2011 (The Best Employee Medical Service)	Economic Digest
	Caring Company	The Hong Kong Council of Social Service
	2nd Runner-up Fund Raiser Award (Corporate)	Oxfam Hong Kong
	The 11th CAPITAL Outstanding Enterprise Awards (The Best Health Check Centre)	CAPITAL
	Prime Awards For Corporate Social Responsibility 2011	Metrobox
	Outstanding Brand Award 2011 (Health Check Centre)	Economic Digest
2012	Caring Company	The Hong Kong Council of Social Service
	Community Engagement Award – Certificate of Merit	HSBC Living Business
	Corporate Charity Group – 2nd Runner Up	Hong Kong Anti-Cancer Society
	Best Fund Raiser Award	Hong Kong Anti-Cancer Society

	Award	Awarding Body
	Oxfam Outstanding Corporate Donor Award	Oxfam Hong Kong
	2nd Runner-Up Fund Raiser Award (Corporate)	Oxfam Hong Kong
	The Best SME Partners 2012 (The Best Employee Medical Service)	Economic Digest
	The 12th Capital Outstanding Enterprise Award (The Best Health Check Centre)	Capital
	Prime Awards For Corporate Social Responsibility 2012	Metrobox
	Outstanding Brand Award 2012 (Health Check Centre)	Economic Digest
	Corporate Social Responsibility Ambassador	The Mirror
2013	Prime Awards For Corporate Social Responsibility 2013	Metrobox
	Outstanding Brand Award 2013 (Health Check Centre)	Economic Digest
	The 2nd–Corporate Social Responsibility Ambassador	The Mirror

BUSINESS OBJECTIVES

Business outlook

Leveraging on the growth of the Hong Kong's economy, size of its population and improvement of personal wealth, and in view of the increase in health consciousness, the supportive government policy and promotion via different media and the increase in life expectancy in Hong Kong, the demand for health check services is growing with immense potential. The Board is optimistic on the Target Group's future growth prospects in health care business and will look for the opportunities to establish new centres when appropriate.

Business plan of the Target Group

The Target Group currently operates nine health check centres and two laboratories in Hong Kong with access to high quality and effective healthcare services. The Board shall make the optimal use of resources of the Target Group to aim for better performance in various areas especially in the provision of high end imaging services, such as MRI, CT, PET-CT. In addition to the health check centres the Target Group currently operate, more health check centres equipped with high end imaging facilities will be set up in the future aiming to attract healthcare needs of high end customers. In addition, the Board will also carefully consider to close down certain non-performing health check centres by allowing the relevant tenancy agreements to lapse upon expiry so that the resources can be more effectively allocated.

As part of our marketing strategy, the Target Group continues to advertise its brand in newspaper, such as Ming Po Daily News, Oriental Daily News, Headlines Daily, am730, Metro Daily, The Sun and Apple Daily, which are nation-wide newspapers published daily and magazine, such as Economic Digest.

MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS OF THE TARGET GROUP

Set out below is the management discussion and analysis of the Target Group:

(i) Financial and business performance

For the year ended 31 December 2010

For the purpose of the following analysis, reference to the Target Group's financial performance for the period ended 31 December 2009 were the financial performance of the Target Group for such period on an annualized basis based on the financial statements of the Target Group for the nine months ended 31 December 2009.

The Target Group recorded revenue of approximately HK$164,308,000 during the period under review. The revenue of the Target Group has increased by approximately 5% when compared with that for the period ended 31 December 2009 and exclude the revenue contribution of subsidiaries of the Target Group acquired during the period ended 31 December 2009.

Loss for the year ended 31 December 2010 amounted to approximately HK$95,152,000. The loss was mainly attributable to the (i) the impairment loss of goodwill attributable to Group Benefit Development Limited and its subsidiaries (the "**Group Benefit Group**") and Health Walk Limited and its subsidiaries (the "**Health Walk Group**"); (ii) equity-settled share-based payment expenses; and (iii) loss on disposal relating to the disposal of property, plant and equipment. Setting aside the effect of the above one-off items, the loss for the year would be approximately HK$10,612,000 and such performance has improved compared to that for the period ended 31 December 2009. The aforesaid factors were non-cash in nature and would not have any immediate impact on the cash flow and business operation of the Target Group.

The demand for health check services has continued to grow as brand recognition of the Target Group and the Target Group boasted an extensive network and offered comprehensive health check and medical diagnostic services to customers to increase the source of revenue. During the year ended 31 December 2010, the Target Group had established satellite medical diagnostic centres in Hung Hum, Kwai Fong and Kowloon Bay together with increasingly placing advertisements on magazines, internet and television, so as to expand the customer coverage and generating increasing revenue to the Target Group. During the year, the Target Group has received the HOKLAS accreditation for our laboratory services. Towards the end of the year, the Target Group has started working with PAREXEL International (Hong Kong) Company Limited on a PET research project, the partnership is a significant endorsement and recognition for our healthcare capabilities and expertise in the Hong Kong healthcare market.

For the year ended 31 December 2011

During the year ended 31 December 2011, the Target Group's provision of medical diagnostic and health check services achieved steady growth. The Target Group recorded a revenue of approximately HK$193,086,000, representing an increase of approximately 17% as compared to the corresponding period of 2010. This increase in revenue was attributable to the newly acquired business of Yuen Foong Medical and Imaging Diagnostic Centre Limited (the "**Yuen Foong**") and the new centre which opened in Central during the year. Without taking into account the contribution from the newly opened centre in Central and the newly acquired business, the revenue generated from the medical diagnostic and health check services had recorded an increase of 7%.

Loss for the year ended 31 December 2011 amounted to approximately HK$1,422,000. The decrease in the loss was mainly attributable to the absence of impairment loss on goodwill and control in operating cost. Setting aside the one-off item effect on the loss on disposal of property, plant and equipment, the Target Group would have recorded a profit for the year of approximately HK$177,000 in 2011. In comparison, setting aside the one-off items of (i) loss on disposal of property, (ii) impairment loss on goodwill, and (iii) equity-settled share-based payment expenses the Target Group would record a loss for the year of approximately HK$10,612,000 in 2010. On such basis, the performance of the Target Group for the year ended 31 December 2011 has improved.

The demand for medical services has continued to grow and it was mainly due to the increased health consciousness and brand recognition. The Target Group has all along made efforts to enhance the brand name by not only continuously place advertisements on magazines, internet and television, so as to expand the customer coverage but also appointed Miss Rebecca Chiu, a Hong Kong famous squash player, as the Spokesperson of the female check up series. It was believed that such advertising campaign had enhanced female awareness of health and the importance of periodic health check. During the year under review, the average spending per Customers was approximately HK$920 which has also improved as compared with the corresponding period in 2010 of approximately HK$860.

During the year under review, the Target Group has established a new centre in Central in order to capture high-end clients in the more affluent location. In addition, the Target Group has conducted a comprehensive review on the performance of various service centres. In order to enhance cost efficiency and to streamline the management structure of health check centres in Shatin and Yuen Long, the Target Group merged two health check centres in Shatin (previously operated by Group Benefit and the Target Group respectively) and two health check centres in Yuen Long (previously operated by Yuen Foong and the Target Group respectively). In addition, the Target Group has closed down the small-scale loss-making health check centres located in Kwai Fong and Hung Hom which each centre accounted for less than 1% of the total turnover of the Target Group and mainly provide X-ray, blood taking and Resting ECG services. As a result, the number of health checks centres as at 31 December 2011 decreased by 3 to 13.

For the year ended 31 December 2012

For the year ended 31 December 2012, the Target Group recorded a revenue of approximately HK$185,666,000, representing a slight decrease of approximately 4% as compared to the year ended 31 December 2011. The decrease in revenue was mainly attributable to the disposal of the Health Walk Group in April 2012. The Health Walk Group was engaged in the sales of radioactive isotopes used for medical diagnostic purposes. After the disposal, the Health Walk Group ceased to contribute to the revenue of the Target Group.

Excluding the revenue generated from Health Walk Group which was disposed of during 2012, the revenue generated from the medical diagnostic and health check services achieved steady growth by approximately 4%. The demand for medical services has continued to grow mainly due to an increase in health consciousness and brand recognition of consumers. The Target Group has all along made efforts to enhance the brand name by continuously placing advertisements on magazines, internet and television so as to expand the customer coverage and to generate revenue steadily. In addition, coupled with the advanced and newly equipped 64 Slices CT systems in Shatin and Yuen Long, the Target Group has benefited from an increase in health consciousness during the year and had derived more revenue from the health check services. During the year under review, the average spending per Customers was approximately HK$1,100 which has also improved as compared with the corresponding period of 2011 of approximately HK$920.

Profit for the year ended 31 December 2012 amounted to approximately HK$21,659,000. The profit was mainly due to the gains arising from the disposal of property, plant and equipment and subsidiaries of an aggregate of approximately HK$23,010,000. Setting aside the above one-off items and profits generated from operation of the Health Walk Group, the loss for the years ended 31 December 2012 and 2011 would be approximately HK$2,097,000 and HK$4,948,000. The loss decreased by approximately HK$2,851,000 as compared to the year ended 31 December 2011 mainly due to an increase in demand in the year ended 31 December 2012.

During the year under review, the Target Group's laboratory has relocated to a spacious environment with a laboratory automation system. The laboratory automation system enhanced the laboratory efficiency by reducing labor intensive process in order to streamline the daily workflow. As a result, the report turn around time has improved. The Target Group has also conducted a comprehensive review on the performance of various service centres. The Target Group has closed down two loss-making health check centres located in Tsim Sha Tsui and Kwun Tong, each of them has accounted for less than 2% of the total turnover of the Target Group. In view of the high concentration of health check centres of the Target Group in the Yau Tsim Mong District by having 5 centres in Mongkok, Jordan and Tsim Sha Tsui in total, the Target Group decided to close down its health check centre in Tsim Sha Tsui. The Kwun Tong centre mainly provide X-ray, blood taking and Resting ECG services. The Target Group was optimistic about the future prospectus of diagnostic imaging and medical laboratory services. By closing the small scale centres, the Target Group can focus its resources on centres equipped with high-end imaging facilities. This resulted in a decrease in overall head count level of the Target Group. The numbers of health check centres as at 31 December 2012 decreased by 2 to 11.

For the period of five months ended 31 May 2013

For the period ended 31 May 2013, the Target Group recorded a revenue of approximately HK$69,055,000, representing a decrease of approximately 9% as compared to the corresponding period in 2012. The decrease in revenue was mainly attributable to the disposal of the Health Walk Group in 2012. Setting aside the revenue of Health Walk for the period ended 31 May 2012, the revenue for the period ended 31 May 2012 was approximately HK$69,072,000, exhibiting no material change as compared to the period ended 31 May 2013.

The loss for the period ended 31 May 2013 amounted to approximately HK$2,386,000. As compared with the period ended 31 May 2012, the Target Group recorded a profit HK$3,156,000. The shift from profit to loss was mainly attributable to the absence of gain of disposal of Health Walk Group and ceased in contribution of revenue from Health Walk Group. For the period ended 31 May 2012, setting aside profits in relation to Health Walk Group, the loss arising from the medical diagnostic and health check services was approximately HK$6,725,000. In comparison, the loss had decreased by approximately HK$4,339,000 during period ended 31 May 2013.

During the period under review, the Target Group continued to conduct a review on the performance of various service centres. The Target Group has closed down two loss-making health check centres located in Sheung Shui and Kowloon Bay, each of them has accounted for less than 2% of the total turnover of the Target Group. The Kowloon Bay centre mainly provide X-ray, blood taking and Resting ECG services and the Sheung Shui centre mainly provide USG, Mammography, X-ray, blood taking and Resting ECG services. The Target Group was optimistic about the future prospects of diagnostic imaging and medical laboratory services, by closing the small scale centres, the Target Group can focus its resources on centres equipped with high-end imaging facilities. As a result, the number of health checks centres as at 31 May 2013 decreased by 2 to 9.

The overall decrease in loss during the period can be attributed to (i) revenue generated from the provision of medical diagnostic and health check services remained constant and (ii) a decrease in operating cost. It is believed that the Target Group has adopted the correct strategy.

The provision of high-end imaging services were the strongest driving force to the growth of the Target Group during the period ended 31 May 2013. The Target Group has benefited from the correct positioning in the healthcare industry of Hong Kong. Revenue from high-end imaging services (including MRI, CT and PET-CT) demonstrated growth of approximately 5% during the period ended 31 May 2013 as compared to period ended 31 May 2012. Also, revenue generated from high-end imaging services accounted for approximately 47% and 41% of the total turnover for the period ended 31 May 2012 and 31 May 2013 respectively. Due to a higher profit margin associated with the provision of high-end imaging services in the period ended 31 May 2013, the profitability of the Target Group increased. During the period under review, the average spending per Customers was approximately HK$1,100 which has also improved as compared with the corresponding five month period in 2012 of approximately HK$1,000.

The management of the Target Group considers that (i) the revenue; (ii) the profit or loss; and (iii) the spending made by Customers per visit recorded during the years under review are the key performance indicators to assess the financial and business performance of the Target Group. The disclosures above show that although a slight decrease in revenue has been recorded for the year ended 31 December 2012 due to the disposal of Health Walk Group when the revenue generated by it was excluded, it has demonstrated an uptrend for the revenue recorded by the Target Group since the year ended 31

December 2010. In addition, without taking into account the one-off gain recorded in the year 31 December 2012 arising from the disposals of assets, subsidiaries and one-off items effect, the Target Group has been able to gradually improve its loss-making position and the loss recorded by the Target Group has been decreasing during the Track Record Period. Further, the spending per Customer has also been increased since 2010 from approximately HK$860 for the year ended 31 December 2010 to approximately HK$1,110 for the five months ended 31 May 2013.

Corporate Social Responsibility

The Target Group has contributed to the social and economic development of the societies and communities as it has been awarded a number of prestigious and important awards during the Track Record Period. Please refer to the paragraph headed "Award and accreditation" in the "Letter from the Board" of this circular for further details.

(ii) Liquidity, financial resources and capital structure

For the year ended 31 December 2010

As at 31 December 2010, shareholder's fund and net current liabilities of the Target Group amounted to approximately HK$43,372,000 and HK$56,337,000 respectively.

As at 31 December 2010, the Target Group held cash and bank balances of approximately HK$39,154,000 and had outstanding bank borrowings of approximately HK$5,167,000. As the Target Group's bank balance and borrowings were denominated in Hong Kong dollars, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the loan agreements.

In October 2010, the Target Group and the Third Vendor entered into a subscription agreement in relation to the allotment and issue of 650 new shares (representing approximately 6.1% of the issued share capital) of the Target Company in order to secure his long-term commitment and contribution to Target Group

For the year ended 31 December 2011

As at 31 December 2011, shareholder's fund and net current liabilities of the Target Group amounted to approximately HK$40,682,000 and HK$57,770,000 respectively.

As at 31 December 2011, the Target Group held cash and bank balances of approximately HK$26,669,000 and had bank borrowings of approximately HK$4,771,000. As the Target Group's bank balance and borrowings were denominated in Hong Kong dollars, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the loan agreements.

For the year ended 31 December 2012

As at 31 December 2012, shareholder's fund and net current liabilities of the Target Group amounted to approximately HK$50,007,000 and HK$24,893,000 respectively.

As at 31 December 2012, the Target Group held cash and bank balances of approximately HK$15,066,000 and had no outstanding bank and other borrowings. As the Target Group's bank balance and borrowings were denominated in Hong Kong dollars, risk in exchange rate fluctuation would not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the loan agreements.

For the five months ended 31 May 2013

As at 31 May 2013, shareholder's fund and net current liabilities of the Target Group amounted to approximately HK$47,607,000 and HK$21,870,000 respectively.

As at 31 May 2013, the Target Group held cash and bank balances of approximately HK$21,604,000 and had no outstanding bank and other borrowings. As the Target Group's bank balance and borrowings were not be material. The bank borrowings bore interest at prevailing market rates and repayable in accordance with the loan agreements.

(iii) Material acquisitions or disposal of subsidiaries and affiliated companies

For the year ended 31 December 2010

On 30 December 2010, pursuant to a sale and purchase agreement entered into between HK Health Check Limited ("**HK Health Check**") and Dr. Shing Kwok Kuen ("**Dr. Shing**"), HK Health Check agreed to acquire 30,712 shares of HK$1.00 each in the share capital of Yuen Foong Medical and Imaging Diagnostic Centre Limited at an aggregate cash consideration of HK$1.00.

For the year ended 31 December 2011

On 24 August 2011, pursuant to a sale and purchase agreement entered into between Hong Kong Health Check and Medical Diagnostic Group Limited and Hong Kong Cyclotron Laboratories Limited agreed to acquire 100% of the entire equity interest and the shareholders' loan of Hong Kong Genesis Laboratory Centre Limited at a cash consideration of $650,000.

On 2 May 2011, the Target Group disposed of its approximately 50.77% equity interests in Champion Projects Limited upon dissolved by members' voluntary winding up.

For the year ended 31 December 2012

On 26 April 2012, Isthmus Management Limited and the Target Company had entered into an agreement for sales and purchase of shares in

Health Walk Limited. Pursuant to which, Isthmus Management Limited agreed to purchase and the Target Company agreed to sell the sale shares representing 70% of the issued share capital of Health Walk Limited at a consideration of 6,100,000 which was satisfied by cash. As a result, the Target Group ceased to have any interest in Health Walk Limited.

On 13 July 2012, Town Health Healthcare Services Limited and Hong Kong Health Check and Medical Diagnostic Group Limited had entered into an agreement for sales and purchases of shares in and loans due from Team Profit (China) Limited. Pursuant to which, Hong Kong Health Check and Medical Diagnostic Group Limited agreed to sell and Town Health Healthcare Services Limited agreed to purchase the entire issued share capital and loan at an aggregate cash consideration of HK$3,300,000.

For the five months ended 31 May 2013

On 30 January 2013, the Target Group disposed of its approximately 61.42% equity interests in Union Wise Enterprises Limited upon its dissolution by members' voluntary winding up.

(iv) Movement of component of equipment held by the Target Group

For the year ended 31 December 2010

The Target Group has purchased one 16 Slice CT scanner for the health check centre located at Causeway Bay to replace one 1 Slice CT scanner at a cost of HK$3.05 million during the year.

For the year ended 31 December 2011

There was a cost of approximately HK$7.5 million for regular major inspections of conditions of the advanced imaging facilities of the Target Group.

For the year ended 31 December 2012

There was a cost of approximately HK$5.5 million for regular major inspections of conditions of the advanced imaging facilities of the Target Group. The Target Group had purchased one 64 Slice CT scanner for the health check centres located at Shatin and Yuen Long at a cost of HK$11.8 million. Also, the Target Group had acquired the Siemens DVIA Centaur XP Immunoassay System, IMMULITE 2000 XPi Immun System, Dimension LM Integrated System, Microbiology System for laboratory use a total consideration of HK$4.5 million.

For the five months ended 31 May 2013

There was a cost of approximately HK$3.5 million for regular major inspections of conditions of the advanced imaging facilities of the Target Group.

(v) Financial ratios

For the year ended 31 December 2010

The gearing ratio of the Target Group (defined as total liabilities to total assets) was approximately 75.4%.

Current ratio (defined as total current assets divided by total current liabilities) was 0.61 times.

Quick ratio (defined as total current assets less inventories divided by total current liabilities) was 0.60 times.

For the year ended 31 December 2011

The gearing ratio of the Target Group (defined as total liabilities to total assets) was approximately 73.0%.

Current ratio (defined as total current assets divided by total current liabilities) was 0.51 times.

Quick ratio (defined as total current assets less inventories divided by total current liabilities) was 0.50 times.

For the year ended 31 December 2012

The gearing ratio of the Target Group (defined as total liabilities to total assets) was approximately 60.9%.

Current ratio (defined as total current assets divided by total current liabilities) was 0.68 times.

Quick ratio (defined as total current assets less inventories divided by total current liabilities) was 0.64 times.

For the five months ended 31 May 2013

The gearing ratio of the Target Group (defined as total liabilities to total assets) was approximately 62.6%.

Current ratio (defined as total current assets divided by total current liabilities) was 0.72 times.

Quick ratio (defined as total current assets less inventories divided by total current liabilities) was 0.70 times.

(vi) Major Assets and liabilities

For the year ended 31 December 2010

As at 31 December 2010, major assets of the Target Group mainly represented property, plant and equipment with a net carrying amount of approximately HK$111,797,000 mainly contributed by medical instruments and building.

As at 31 December 2010, the Target Group had no capital expenditure contracted for but not provided in financial statements.

For the year ended 31 December 2011

As at 31 December 2011, major assets of the Target Group mainly represented property, plant and equipment with a net carrying amount of approximately HK$108,146,000 mainly contributed by medical instruments and building.

As at 31 December 2011, the Target Group had a capital commitment of approximately HK$140,000.

For the year ended 31 December 2012

As at 31 December 2012, major assets of the Target Group mainly represented property, plant and equipment with a net carrying amount of approximately HK$78,903,000 mainly contributed by medical instruments.

As at 31 December 2012, the Target Group had a capital commitment of approximately HK$1,290,000.

For the five months ended 31 May 2013

As at 31 May 2013, major assets of the Target Group mainly represented property, plant and equipment with a carrying amount approximately HK$73,281,000 mainly contributed by medical instruments.

As at 31 May 2013, the Target Group had a capital commitment of approximately HK$2,156,000.

(vii) Turnover of employees

The following table sets out the staff movement of the Target Group during the three years ended 31 December 2012 and the period of five months ended 31 May 2013. Professional Staff mainly include radiologists, radiographers, medical practitioner, nurses, health care assistants, and medical laboratory technicians. Supporting Staff mainly include medical typists, customer service representative clinical assistants, and head office staff. The core management team and radiologists were remained in the Target Group throughout the Track Record Period.

	Year ended 31 December			Period Ended 31 May
	2010	**2011**	**2012**	**2013**
Professional Staff				
Opening Balance	90	115	112	98
New Join	43	30	21	6
Departed	(18)	(33)	(35)	(17)
Subtotal	115	112	98	87
Supporting Staff				
Opening Balance	112	126	126	122
New Join	33	26	25	2
Departed	(19)	(26)	(29)	(12)
Subtotal	126	126	122	112
Total number of staff	241	238	220	199

(viii) Number of employees and remuneration policies

For the year ended 31 December 2010

As at 31 December 2010, the Target Group employed 241 employees. The Target Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Target Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus may be granted to eligible staff by reference to the Group's performance as well as individual's performance. In addition, the Target Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

For the year ended 31 December 2011

As at 31 December 2011, the Target Group employed 238 employees. The Target Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Target Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus may be granted to eligible staff by reference to the Group's performance as well as individual's performance. In addition, the Target Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

For the year ended 31 December 2012

As at 31 December 2012, the Target Group employed 220 employees. The Target Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Target Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus may be granted to eligible staff by reference to the Group's performance as well as individual's performance. In addition, the Target Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

For the five months ended 31 May 2013

As at 31 May 2013, the Target Group employed 199 employees. The Target Group continues to maintain and upgrade the capabilities of its workforce by providing them with adequate and regular training. The Target Group remunerates its employees mainly based on industry practices and individual's performance and experience. On top of regular remuneration, discretionary bonus may be granted to eligible staff by reference to the Group's performance as well as individual's performance. In addition, the Target Group provides provident fund to its employees in accordance with the statutory requirements of the respective jurisdictions in where the employees reside.

(ix) Contingent liabilities

For the year ended 31 December 2010

As at 31 December 2010, the Target Group did not have any significant contingent liabilities.

For the year ended 31 December 2011

As at 31 December 2011, the Target Group did not have any significant contingent liabilities.

For the year ended 31 December 2012

As at 31 December 2012, the Target Group did not have any significant contingent liabilities.

For the five months ended 31 May 2013

As at 31 May 2013, the Target Group did not have any significant contingent liabilities.

(x) Significant milestones

For the year ended 31 December 2010

The Target Group had established satellite medical diagnostic centres in Hung Hum, Kwai Fong and Kowloon Bay and acquired 72.14% equity interest in Yuen Foong which enhanced geographical accessibility of its services.

For the year ended 31 December 2011

The Target Group opened new centre in Central enhance geographical accessibility of its services.

To enhance a high-profile market presence, the Target Group engaged Miss Rebecca Chiu, a Hong Kong famous squash player as the spokeperson of female check up series, this marketing strategy had increased public awareness of the importance of periodic health check and associated it with the services provided by the Target Group.

For the year ended 31 December 2012

During the year, the Target Group closed down two health check centres in Tsim Sha Tsui and Kwun Tong, each of them has accounted for less than 2% of the total turnover of the Target Group. In view of the high concentration of health check centres of the Target Group in the Yau Tsim Mong District by having 5 centres in Mongkok, Jordan and Tsim Sha Tsui in total, the Target Group decided to close down its health check centre in Tsim Sha Tsui. The Kwun Tong centre mainly provide X-ray, blood taking and Resting ECG services.

The reduction in number of health check centres help the Target Group to divert its resources and time to develop high-end imaging services and to improve the profitability of the Target Group. With reference to the growth in revenue of the Target Group during the year, the Board is optimistic on the Target Group's future growth prospects in the healthcare business.

For the five months ended 31 May 2013

During the period, the Target Group closed down its health check centres in Kowloon Bay and Sheung Shui in view of their less promising financial performances and limited scope of services provided. The close down of health check centres during the period were of relatively small scale in size which accounted for less than 2% of the total revenue for the period ended 31 May 2013. The reduction in number of health check centres help the Target Group to divert its resources and time to develop high-end imaging services and to improve the profitability of the Target Group. With reference to the growth in revenue of health check centres with high-end imaging facilities of the Target Group during the period, the Board is optimistic on the Target Group's future growth prospects in the healthcare business.

FINANCIAL EFFECT OF THE ACQUISITION ON ASSETS, EARNINGS AND LIABILITIES OF THE COMPANY

Assets

As at 31 December 2012, the audited consolidated assets of the Group amounted to approximately HK$160,076,000. Based on the unaudited pro forma financial information of the Enlarged Group as shown in Appendix III to this circular, the unaudited pro forma net assets value of the Enlarged Group is approximately HK$204,667,000 as if Completion could have taken place on 31 May 2013.

Earnings

According to the audited consolidated financial statements of the Group for the year ended 31 December 2012, the audited total comprehensive loss of the Group for the year amounted to approximately HK$21,076,000. Assuming that the Completion had taken place on 31 May 2013, the Enlarged Group would have an unaudited pro forma consolidated comprehensive loss of approximately HK$1,497,000.

Liabilities

As at 31 December 2012, the audited consolidated liabilities of the Group amounted to approximately HK$46,538,000. Based on the unaudited pro forma financial information of the Enlarged Group as shown in Appendix III to this circular, the unaudited pro forma consolidated total liabilities of the Enlarged Group will be approximately HK$61,931,000 as if Completion could have taken place on 31 May 2013.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in (i) the provision of IT services, including consultancy, technical support, systems integration, development and sales of relevant hardware and software products in Hong Kong; and (ii) money lending business in Hong Kong.

The Target Group is principally engaged in the provision of medical diagnostic and health check services. Currently, the Target Group is operating an aggregate of nine health check centres and two laboratories in Hong Kong providing one-stop comprehensive medical diagnostic and health check services with advanced inspection facilities such as medical imaging instruments and medical laboratory related services to its customers.

The Group has always been interested in looking for opportunity for the Group to diversify the existing business into a new line of business with growth potential and is optimistic about the future prospects of the medical diagnostic business. As disclosed in the annual report of the Company for the year ended 31 December 2012, more than 93% of the Group's revenue was generated from the trading of IT hardware products from five largest customers. It is also the investment plan of the Group to diversify the Group's revenue stream and the risk of concentration of customers as well as to enhance Shareholders' value upon Completion.

The Acquisition falls in line with the Group's plan to consolidate its business in Hong Kong. Further, the technology and managerial experience of the Group will be combined with the Target Group to achieve integration and sharing, and to provide mutual support in the technology area. Despite of the existing management team of the Group have no experience in managing the medical diagnostic and health check services, the key personnel of the Target Group intend to continue their respective employment with the Enlarged Group upon Completion. The Company will also look for and recruit suitable personnel to enhance the management of the business of the Enlarged Group if and when necessary. As such, the Directors consider that there shall not be any material adverse impact on the business operation of the Enlarged Group upon Completion. Hence, the Acquisition enables the Group to leverage on its experience and expertise in managing the Target Group with an expectation to improve the Target Group's operating efficiencies.

Based on the unaudited consolidated financial results of the Target Group, the revenue and profit of the Target Group during the year ended 31 December 2012 were approximately HK$185,666,000 and HK$21,659,000 respectively. The Directors consider that after the Completion, the Target Group will contribute to the earnings base and working capital of the Group.

In view of the aforesaid and also taking into account of the aging population in Hong Kong and the accelerating demand in healthcare services in the local market, it is expected that the Acquisition presents a good opportunity for the Group to tap into the medical diagnostic and health check services with an aim of broadening the income base of the Group and to enable the Group to diversify its investment in a business sector with growth potential. The Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and that the Acquisition is in the interest of the Company and the Shareholders as a whole.

FUTURE PLAN OF THE GROUP

The Company intends to maintain and further develop its existing business and its expected development plan is as follows:

Medical diagnostic and health check services business

With improved living standards and the aging population in Hong Kong, we believe that people in Hong Kong become more health conscious and there will be an increase in interest in preventive healthcare, especially in the healthcare-related services. Thus, the Company is of the view the prospect on the business of healthcare centre is promising, we shall formulate development strategies to maintain the business in a pragmatic and prudent manner. Upon Completion, the Board, which is experienced in corporate management and financial management shall work together with the existing management expertise of the Target Group on seeking to increase its market share by setting up more health check centres focusing on high and imaging targeting on the middle class market and enhancing its services with advanced technology in the future including but not limited to advance information technology application in processing and delivery of resultant images to customers, while the scale of operation in the near future is likely to be maintained at present levels. In addition, our management shall endeavour to improve the financial position of the Target Group by maintaining its existing monitoring and review measures for the health check centres with a view to enhancing the overall operational efficiency. The Board will also carefully consider to close down certain non-performing health check centres by allowing the relevant tenancy agreements to lapse upon expiry so that the resources can be more effectively allocated.

Implementation plan

For the year ended 31 December 2013	– To review and update the staff handbook if necessary to enhance service quality
	– To implement an advanced software on processing and delivery of the resultant products of imaging
	– To set up a plan for development in deciding location and scale of operations for future health check centres
For the six months ended 30 June 2014	– To review the existing tenancy agreement and arrange for renewal accordingly if consider appropriate
	– To finalise the development plan
	– To finalise the funding requirement and working out the financial plan
For the year ended 31 December 2014	– To review the existing tenancy agreement and arrange for renewal accordingly if consider appropriate
	– To implement the development plan on setting up a new health check centre

IT business

The Group expects that the competition for the IT business remain keen. The profit margin of the trading IT products is still facing challenges and the Company intends to develop the software with its own resource, in particular, the finance-related software. Furthermore, the Company will reduce reliance on the IT trading business.

The Company will continue to attempt to broaden the customer base and diversify the IT products to further strengthen its market position and financial performance. The Company intends to maintain its existing trading of IT hardware products targeting on the customers with higher than existing profit margin while developing software for designated customers with its own resources as the Directors considers that it will be more cost effective to enhance its research and development capability which enables the Group to develop high quality and technologically advanced products so as to increase its market competitiveness.

Money lending business

The Board considers that the demand for money lending (in particular in the area of property re-financing and personal loan) in Hong Kong is increasing and the business can provide a steady income steam to the Group. The Group intends to expand the loan portfolio with a prudent manner and it would focus on the main target market of property re-financing and personal loan for customers with good credit record. The Group's existing loan portfolio consists of loans with terms range from eight months to four years, and is now planning to concentrate on offering term loan which would usually due in two years. The Board considers that the aforesaid arrangement shall be able to strengthen its financial liquidity.

In order to generate a healthy cash flow and steady returns, the Company is implementing strict cost control measures, including but not limited to the reduction of consultant and professional fees and the gain resulting therefrom shall apply to the expansion of loan portfolios of the Company. The Company will also pay attention on the market conditions for business opportunities.

Investment property

Following the renewal of the tenancy agreement, the Directors expect that the investment property of the Group will be making steady contributions to the cash flow and revenue, and as a result of the new administrative measures adopted by the Government (including the Special Stamp Duty and the Buyer's Stamp Duty), the Board is of the view that the property market shall become stable and the Company intends to hold the property development business in order to receive stable rental income.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratio in respect of the Acquisition exceeds 100%, the entering into of the Sale and Purchase Agreement constitutes a very substantial acquisition on the part of the Company under the GEM Listing Rules and is therefore subject to the approval of the Shareholders at an extraordinary special general meeting of the Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors and their respective associates do not own or hold any Shares as at the Latest Practicable Date and that no Shareholder has a material interest in the Acquisition, therefore, no Shareholder would be required to abstain from voting at the EGM to consider and, if thought fit, to approve the Sale and Purchase Agreement and the transactions contemplated thereunder.

EGM

The EGM will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 10 September 2013 at 11:00 a.m., the notice of which is set out on pages EGM1 to EGM2 of this circular, to consider and, if thought fit, approve the ordinary resolution to approve the Acquisition and the transactions contemplated thereunder.

There is a form of proxy for use at the EGM accompanying this circular. Whether or not you will be able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

RECOMMENDATION

The Board considers that the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolutions in respect of the Acquisition as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the financial information of the Group and the Target Group and the other information set out in the appendice to this circular.

By order of the Board
Computech Holdings Limited
Yang Yue Zhou
Chairman

1. AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The Company is required to set out in this circular the information for the last three financial years with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited statement of financial position together with the notes on the annual accounts for the last financial year for the Group.

The audited consolidated financial statements of the Group for each of the three years ended 31 December 2012 can be referred to the annual reports of the Company for the years ended 31 December 2010 (pages 27 to 63), 31 December 2011 (pages 21 to 59) and 31 December 2012 (pages 27 to 65) respectively.

The abovementioned financial information has been published on both the websites of the Stock Exchange (www.hkex.com.hk) and the website of the Company (http://www.computech.com.hk/). The auditors of the Company have not issued any qualified opinion on the Group's financial statements for the three financial years ended 2012.

2. STATEMENT OF INDEBTEDNESS

Borrowings

As at the close of business on 31 July 2013, being the latest practicable date for the purpose of this indebtedness statement, the Group had outstanding liability component of Convertible Notes of approximately HK$42,203,000 and its principal amount of HK$50,000,000.

As at the close of business on 31 July 2013, being the latest practicable date for the purpose of this indebtedness statement, the Group had HK$16,000,000 of undrawn banking facilities.

Contingent liabilities

As at the close of business on 31 July 2013, the Group did not have any significant contingent liabilities.

Disclaimers

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and others payables in the ordinary course of business, the Group did not have any other loan capital issued or agreed to be issued, bank overdrafts, loans, debt securities issued and outstanding, and authorised or otherwise created but unissued and term loans or other borrowings, indebtedness in the nature of borrowings, liabilities under acceptance (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, guarantees or other material contingent liabilities outstanding on 31 July 2013.

3. WORKING CAPITAL

The Directors, after due and careful consideration are of the opinion that, after taking into account the cash flows generated from the operating activities and the financial resources presently available to the Group, the Group has sufficient working capital for its present requirements and for the period up to twelve months from the date of this circular in the absence of unforeseen circumstances.

The Target Group will continue to generate stable revenue and cash flow in 2013 and 2014, taking into account that the internal expected annual growth and certain operation centres were disposed or closed in 2012. The Board is of the view that after taking into consideration of the Group's business plan and all necessary estimated expenses for its operation, the Company has sufficient funds for settling the remaining balance of the Consideration and for the general working capital in the next 12 months. The underlying assumptions adopted for each of the segments of the Company for the preparation of the forecast are as follows:

(a) IT business

(1) IT trading business

i. revenue figures are based on the existing purchase orders received by the Group and estimate by the management of the Company in respect of expected orders may be received;

ii. the Group will reduce reliance on the IT trading business;

iii. the cash inflow is assumed to occur in the same month of that income generated; and

iv. no provision on trade receivable is necessary.

There is no change in the specific assumptions made in respect of the IT trading business of the Company during the forecast period, and the business operation and performance of the IT trading business of the Company is currently, and the Directors expect that it will, during the forecast period be consistent with such basis and assumptions. Trade receivables in the aggregate sum of approximately HK$2.34 million have been received by the Group in July 2013. Based on the existing purchase orders received by the Group up to the Latest Practicable Date and the estimation of the management, it is expected that no revenue will be generated for the IT trading business of the Group for August 2013 and September 2013, and the turnover of the IT trading business will be gradually decreased as the Group intends to reduce its reliance on this segment.

(2) *IT software development business*

i. revenue figures are based on the estimate by the management of the Company that the Group would be able to secure at least one new customer for every three-month period, and the Group shall maintain its existing fee model;

ii. cash inflow is assumed to occur in the same month of that income generated; and

iii. no provision on trade receivable is necessary.

As mentioned in the announcement of the Company dated 18 July 2013, the Company intended to apply part of the proceeds from the disposal of investment in fish breeding business to facilitate the development of the Group's finance-related software development. The cash flow forecast has taken into account the one-off set-up and development costs for the finance-related software which has been incurred by the Group in about July 2013 and the regular operating costs of the business. According to the Group's existing fee model, a one-off deposit shall be paid by each new customer upfront upon the engagement and a monthly maintenance fee will also be charged on the customer. There is no change in the specific assumptions made in respect of the IT software development business of the Company during the forecast period, and the business operation and performance of the IT software development business of the Company is currently, and the Directors expect that it will, during the forecast period be consistent with such basis and assumptions.

(b) Money lending business

i. the Group will maintain the existing loan portfolios to generate interest income and implement strict cost control measures;

ii. interest rates on existing loan portfolios remain stable during the forecast period;

iii except for a loan that will generate cash inflow upon the end of the loan agreement, all remaining cash inflows are assumed to occur in the same month of that income generated; and

iv. no provision on loan receivable is necessary.

As disclosed in the interim results announcement for the six months ended 30 June 2013 of the Company dated 8 August 2013, the loan receivables of the Group were approximately HK$34.5 million as at 30 June 2013, and the average interest rate charged by the Group was approximately 21.2% per annum. There is no change in the specific assumptions made in respect of the money lending business of the

Company during the forecast period and the business operation and performance of the money lending business of the Company is currently, and the Directors expect that it will, during the forecast period be consistent with such basis and assumptions.

(c) Investment property

i. rental income from investment property of the Group shall remain stable;

ii. cash inflow is assumed to occur in the same month of that income generated; and

iii. the property will not be disposed of.

The investment property mentioned above refers to the Property. As disclosed in the announcement of the Company dated 22 March 2013, the Property was leased to an Independent Third Party. The old tenancy agreement expired on 31 July 2013 has been renewed by the previous owner of the Property in about February 2013. In consideration of the existing tenant agreeing to renew the tenancy agreement, it was entitled to a rent-free period which expired on 31 July 2013. During the two years commencing from 1 August 2013, the monthly rental shall be HK$120,900 (exclusive of management fee and rates, but inclusive of government rent). There is no change in the specific assumptions made in respect of the property investment business of the Company during the forecast period and the business operation and performance of the property investment business of the Company is currently, and the Directors expect that it will, during the forecast period be consistent with such basis and assumptions.

(d) Investment in fish breeding business

Such investment has been disposed of by the Group and the net proceeds from the disposal was HK$16,600,000, out of which HK$11,600,000 will be utilized for settling the consideration of the Acquisition and HK$5,000,000 will be retained as general working capital to facilitate the development of the Group's IT business, in particular, for the finance-related software development. Please refer to announcement of the Company dated 18 July 2013 for further details. The net proceeds of the disposal has been received by the Company in July 2013.

Therefore the business operation and performance of the fish breeding business of the Company has not been taken into account when preparing the forecast.

(e) Operating expenses

i. the monthly spread of operating expenses of the Company during the forecast period is mainly based on its historical monthly spread in 2012; and

ii. cash outflow is assumed to occur in the same month of those expenses incurred.

(f) Acquisition cost and financing activities

i. the long-stop date of the Acquisition is 30 September 2013. The acquisition cost of HK$49,000,000 included the balance of consideration of HK$47,000,000 and the acquisition-related expenses of HK$2 million;

ii. the acquisition costs will be settled by (i) cash on hand of HK$23 million; (ii) the available facilities from financial institution of approximately HK$10,000,000 at 12% per annum and mortgage loan facility of HK$16,000,000 at 3% per annum; and

iii. there will be no Fund Raising Activities to be conducted by the Group or dividend to be paid to its shareholders during the forecast period.

(g) Target Group

i. the Target Group will maintain its existing scale of operations;

ii. except for certain plan for the scheduled capital expenditure, there are no plan for the material expansion and opening of new health check centre and laboratory; and

iii. operating expenses are estimated based on its historical monthly spread in 2012.

The scheduled capital expenditure mentioned above mainly includes the costs of regular major inspections on the conditions of the advanced imaging facilities of the Target Group of approximately HK$7.5 million per annum estimated based on its historical monthly spread. There is no change in the specific assumptions made in respect of the business of the Target Group during the forecast period and the business operation and performance of the Target Group is currently, and the Directors expect that it will, during the forecast period be consistent with such basis and assumptions.

(h) Opening bank balance

The bank opening balance of the Group is based on the actual figures as at 1 July 2013.

4. 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 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

5. MANAGEMENT DISCUSSION AND ANALYSIS OF THE RESULTS OF THE GROUP

Set out below is the management discussion and analysis of the Group for the three years ended 31 December 2012, 2011 and 2010.

For the year ended 31 December 2012

BUSINESS REVIEW

The Group is principally engaged three business segments, namely (i) IT business which provides consultancy, technical support, system integration, development and sales of relevant hardware and software products in Hong Kong; (ii) money lending business in Hong Kong and (iii) property development business in the People's Republic of China ("**PRC**"). During the year 2012 under review, the Group reported a revenue of approximately HK$106,604,000 (2011: HK$21,592,000), representing an increase of 394% as compared with 2011.

IT business

The revenue of IT business for the year amounted to approximately HK$101,846,000 (2011: HK$21,162,000), which accounted for 96% of the Group's revenue. This segment recorded a loss of approximately HK$228,000 (2011: HK$10,814,000). During the year 2012 under review, the Company proposed to maintain its IT business notwithstanding the termination of the service agreement with the Group's major customer and the keen competitive environment. The Group expected the sales of hardware products resulting in an increase in turnover of the segment of 381% compared with the results of last year. Furthermore, the Group had adopted strict cost saving control by outsource part of the operating process. New customers and business partners were found and the Group had participated in various IT projects.

Money lending business

The Group commenced the money lending business in the third quarter of 2011. As at 31 December 2012, the loan receivables and loans interests receivable were approximately HK$35,179,000 and HK$932,000 respectively. The loan receivables increased for approximately 238% comparing with the balances of HK$10,394,000 in 2011, of which the outstanding secured and unsecured loan receivables were approximately HK$18 million and HK$17 million respectively.

During the year under review, the revenue from loan interests and related income was approximately HK$4,758,000 (2011: HK$430,000), which accounted for approximately 4% of the Group's total revenue. This segment recorded a loss of approximately HK$4,561,000 (2011: HK$995,000) mainly attributable to staff costs. The average interest rate charged by the Group was approximately 34% per annum and the credit terms of the outstanding loan granted by the Group to the customers ranged from less than a month to five years. The average size of the outstanding loan granted by the Group was approximately HK$2.5million. In view of significant demand in the market, the Company intends to expand the loan portfolio by applying part of the net proceeds from the Open Offer as the working capital of this Segment. The Company's main focus area will be secondary mortgage and personal loan for customers with good credit record in Hong Kong. The Company is targeting on concentrating its loan portfolio to terms loan of term shorter than two years as the Board considers such arrangement will strengthen liquidity of the Group and enhance flexibility as well as generate a healthy cash flow as a whole.

Property development business

In August 2012, Enrich Fortune Development Limited, an indirect wholly-owned subsidiary of the Company, has entered into an agreement with vendors, who are independent third parties of the Company, to acquire the entire issued capital of Feng Tai Shun Cultural Travel Limited ("**FTS**"), a limited liability company incorporated in Hong Kong, and a vendor's loan to FTS, for an aggregate consideration of HK$3,500,000. FTS holds 100% of the equity interest in Meizhou City Hang Fung Tai Cultural Travel Development Company Limited* (梅州市恒豐泰旅游文化開發有限公司) ("**HFT**"), a wholly foreign-owned enterprise in the PRC which is licensed for property related activities in PRC. HFT has entered into an agreement with Dabu County Land and Resources Bureau (大埔縣國土資源局) of Guangdong Province, PRC, which involves property development in the region.

The Directors intend to develop low-density luxury villas for residential use, the overall development plan is subject to the approval of relevant regulators and authorities as well as the negotiation between the relevant parties. As at the date of annual report of the Company for the year end 31 December 2012, the matters that are still subject to negotiation/approval including but not limited to the overall design and planning of the development project, environmental protection measures, land costs and terms of payment for consideration.

The Group is devoted to explore and broaden the existing businesses in order to strengthen its competitiveness and provide business growth potential. With the management's experience and expertise in the PRC real estate industry, the Board considers that it is an opportunity for the Company to enter into PRC property development market. The Company will deal with the property activities in a prudent manner.

Investment in fish breeding business

As disclosed in the Company's announcement dated 25 April 2012, the Group entered into an investment agreement in relation to a fish breeding business. The Group has invested HK$15,500,000 in the fish breeding business for a term of 20 calendar months with guaranteed return on profit and investment amount. The investment amount has been applied to purchase fish fry and fish feed for the sole purpose of fish breeding at the fish farm in Sabah, Malaysia. The Directors expect the project will be accomplished by January 2014. The Company intends to maintain the investment till the end of investing period. The Directors are not aware of any circumstances which may lead to a failure in meeting the profit guarantee or investment return.

Financial assets at fair value through profit or loss

As at 31 December 2012, the Company had held-for-trading investments of approximately HK$6,744,000 and recorded a fair value loss of approximately HK$940,000. The Company has no plan for further investment.

FINANCIAL REVIEW

The Group recorded a revenue of approximately HK$106,604,000 and loss attributable to owners of the Company of HK$21,076,000 for the year ended 31 December 2012, compared to HK$21,592,000 and HK$26,097,000 respectively for the last year. The basic loss per share was 12.78 HK cents (2011: 26.98 HK cents).

The administrative expenses for the year under review amounted to approximately HK$24,468,000 (2011: HK$29,765,000). It was mainly comprised of impairment of goodwill, staff cost, operation lease rental, professional fee, share-based payments and unrealized loss on financial assets at fair value through profit or loss. During the year 2012, the Group also recorded an increase in finance costs of approximately HK$3,396,000 for the imputed interest expenses on the Convertible Notes (2011: HK$577,000).

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2012, the total assets of the Group were approximately HK$160,076,000 (2011: HK$31,070,000), including cash and bank balances of approximately HK$77,156,000 (2011: HK$11,789,000). The net current assets of the Group was approximately HK$126,813,000 (2011: HK$18,092,000) and the Group's current ratio, current assets over its current liabilities, was approximately 19.2 times (2011: 3.9 times).

As at 31 December 2012, the Group did not have any loans due to banks or financial institutions and the total non-current liabilities of the Group was HK$39,587,000 (2011: nil). The Group's gearing was 0.35 times, calculated on the basis of long-term debt to shareholders' fund.

CAPITAL STRUCTURE

Placing of convertible notes

On 6 March 2012, the Company issued the zero coupon Convertible Notes (the "**Notes**") in the principal amount of HK$50,000,000 due on 5 March 2015. The holders of the Notes can be able to convert the outstanding principal amount of Notes into ordinary share of the Company at initial conversion price of HK$0.05 per Share (subject to adjustment) at any time from one year after the date of issue of the Notes. In accordance with the terms and conditions of the Notes, as a result of completion of the Share Consolidation (as defined below) and Open Offer, the conversion price has been adjusted to HK$0.19 per Share (subject to further adjustment). The net proceeds from the placing of Notes were approximately HK$48.75 million, of which (i) approximately HK$10.25 million has been utilised for IT business; (ii) approximately HK$15 million has been utilised for money lending business; (iii) approximately HK$15.5 million has been utilised for investment in fish breeding business; and (iv) HK$8 million has been utilised for investment in held-for-trading securities. Details of information were set out in the Company's circular dated 2 February 2012 and announcements dated 6 March 2012, 31 October 2012 and 3 December 2012 respectively.

Placing of new shares under general mandate

On 30 April 2012, the Company and Kingston Securities Limited (the "**Placing Agent**") entered into the placing agreement, pursuant to which the Company had conditionally agreed to place, through the Placing Agent on a best effort basis, a maximum of 180,000,000 new Shares at HK$0.084 per placing share (the "**Placing**"). The net proceeds of approximately HK$14,636,000 from the Placing were intended to be used as to approximately HK$10 million for the general working capital and/or future investments for the IT business as and when opportunities arise, and as to approximately HK$5 million for possible investments in properties. The Placing was completed on 15 May 2012. The net proceeds from the Placing were approximately HK$14.5 million, of which (i) approximately HK$2 million has been utilised for general working capital of the Group; and (ii) approximately HK$4 million has been utilised for the acquisition of Fung Tai Shun Cultural Travel Limited, a wholly-owned subsidiary of the Company and the related legal and professional fees; and (iii) the remaining net proceeds from the Placing of approximately HK$8.5 million has been utilised for IT business. Details of Placing were set out in the Company's announcements dated 30 April 2012 and 15 May 2012 respectively.

Share Consolidation and Open Offer

On 22 August 2012 and 23 August 2012, the Company announced the proposed (i) share consolidation (the "**Share Consolidation**") on the basis that every ten (10) issued and unissued then existing Shares of HK$0.01 each to be consolidated into one (1) Share of HK$0.10 each and (ii) open offer to raise approximately HK$83,655,000, before expenses, by way of offering 418,274,796 new Shares (each an "**Offer Shares**") at the subscription price of HK$0.20 per Offer Share on the basis of three (3) Offer Shares for every one (1) consolidated Share held by the qualifying shareholders on the record date and payable in full on application subject to the Share Consolidation becoming effective.

The net proceeds from the Open Offer were approximately HK$80,816,000. The Board intends to use the net proceeds from the Open Offer of approximately HK$30 million and approximately HK$50 million for general working capital for the money lending business and the property development project as mentioned respectively. Should the property development project do not become materialized, the Board intends to retain the relevant proceeds for other property related activities when suitable opportunities arise. On 31 October 2012, the resolutions for approving the Share Consolidation and the Open Offer were duly passed by the Shareholders. The Share Consolidation was effective on 1 November 2012 and the Open Offer was completed on 4 December 2012. Details of information were set out in the Company's prospectus, dated 12 November 2012 and announcements dated 31 October 2012 and 3 December 2012 respectively.

As at the Latest Practicable Date, the Group has applied approximately HK$14,000,000 and HK$16,000,000 as general working capital for its money lending business and as fund for part of the Deposit respectively. Further, about HK$40 million has been applied by the Group for acquisition of Property and the remaining balance of the net proceeds from the Open Offer shall be applied by the Group as its general working capital.

FOREIGN EXCHANGE

The Group's foreign exchange risk is primarily attributable to its creditors. The Group's purchase principally denominated in Hong Kong Dollars and United Stated Dollars, the impact of foreign exchange exposure of the Group is minimal.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2012, the Group did not have any material charge on assets (2011: nil).

CAPITAL COMMITMENTS

As at 31 December 2012, the Group did not have undertaken any material capital commitments (2011: nil).

CONTINGENT LIABILITIES

As at 31 December 2012, the Group did not have any material contingent liabilities (2011: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2012, the Group had 18 employees (2011:16). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance has been paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to our employees.

For the year ended 31 December 2011

BUSINESS REVIEW

During year 2011 under review, the Group reported a turnover of approximately HK$21,592,000 (2010: HK$21,914,000) representing a decrease of 17% as compared to year 2010. It was mainly due to keen competition of the warranty and maintenance service of IT business. In September 2010, the Group has successfully acquired and commenced the money lending business. The Company will continue to expand its loan portfolios in order to provide a steady income for the Group.

IT business

The turnover of IT business for the year amounted to approximately HK$21,162,000 (2010: HK$25,914,000), which accounted for 98% of the Group's turnover. This segment recorded a loss of approximately HK$10,814,000.

Money lending business

The Group commenced the money lending business in the third quarter of 2011, the turnover for the year amounted to HK$430,000 (2010: Nil), which accounted for 2% of the Group's turnover. As at 31 December 2011, the loan portfolios were approximately HK$10,394,000 and this segment recorded a loss of approximately HK$995,000.

FINANCIAL REVIEW

The Group recorded a turnover of approximately HK$21,592,000 and loss attributable to owners of the Company was approximately HK$26,097,000 for the year ended 31 December 2011, compared to HK$25,914,000 and HK$14,353,000 respectively for the last year. The basic loss per share was 2.70 HK cents (2010: 1.74 HK cents).

The administrative expenses for the year 2011 under review amounted to approximately HK$29,765,000 (2010: HK$17,852,000). The significant increase was mainly due to (i) the acquisition-related expenses including professional fee, consultancy fee and valuation fee and (ii) staff and related costs incurred during the year as compared with year 2010.

FINANCIAL RESOURCES AND LIQUIDITY

As at 31 December 2011, the total assets of the Group were approximately HK$31,070,000 (2010: HK$26,687,000), including cash and bank deposits of approximately HK$11,789,000 (2010: HK$21,289,000). The net current assets of the Group was approximately HK$18,092,000 (2010: HK$19,317,000) and the Group's current ratio, current assets over its current liabilities, was approximately 3.9 times (2010: 3.7 times).

At the 31 December 2011, the Group did not have any loans due to banks or financial institutions. The total non-current liabilities of the Group was nil (2010: nil), where including bank loans and long-term borrowings. As a result, the Group had no gearing, calculated on the basis of net debt to shareholders funds, as at 31 December 2011.

During year 2011, the warrant holders had exercised and subscribed for a total of 112,952,857 Shares at a subscription price of HK$0.07 per Share. The proceeds from the subscription were approximately HK$7,902,000 and there was no outstanding warrant as at 31 December 2011.

CAPITAL STRUCTURE

The subscription of 5% convertible bond due 2016 of the Company was completed on 22 August 2011 and the convertible bonds in principal amount of HK$22,750,000 were issued to the subscriber in accordance with the terms of the subscription agreement. The net proceed of issue of convertible bonds was in amount of HK$22,350,000. On 23 November 2011, all convertible bonds at the initial conversion price of HK$0.125 were converted into 182,000,000 Shares of the Company. Details of information were set out in the Company's announcement dated 15 April 2011.

On 5 December 2011, the Company entered into a placing agreement with Pacific Foundation Securities Limited as the placing agent and varied by a side letter dated 8 December 2011, pursuant to which the placing agent has agreed, amongst other things to procure, on a best endeavours basis, placee(s) to subscribe for HK$50,000,000 of the Convertible Notes. Assuming the Convertible Notes are fully placed, upon full conversion of the HK$50,000,000 principal amount of the Convertible Notes at the conversion price, a total of 1,000,000,000 Conversion Shares will be issued and the gross proceeds from the placing, if fully placed, will be HK$50,000,000 and the net proceeds from the placing will be approximately HK$48,000,000. Mr. Yang Yue Zhou ("**Mr. Yang**"), has agreed to undertake all the Convertible Notes not placed by the placing agent. The placing is conditional upon, inter alia, the convening of the extraordinary general meeting for shareholders to consider and, if thought fit, passing by independent shareholders of the resolutions to approve the entering into of the placing agreement and the transactions contemplated thereunder, including the allotment and issue of the conversion shares and the underwriting by Mr. Yang of any unplaced Convertible Notes. Details of information were set out in the Company's announcement and circular dated 8 December 2011 and 2 February 2012 respectively.

All resolutions were duly passed by the independent shareholders of the Company on 17 February 2012. The placing was completed and the aggregate principal amount of HK$50,000,000 of the Convertible Notes was placed to not less than six placees on 6 March 2012.

FOREIGN EXCHANGE

The Group's foreign exchange risk is primarily attributable to its creditors. The Group's purchases were principally denominated in Hong Kong Dollars and Renminbi, with the majority of which denominated in Hong Kong Dollars. As the foreign exchange risks were insignificant to the Group, the Group has not applied any financial instruments for foreign currency hedging purposes during the year 2011 under review.

MAJOR ACQUISITION

On 12 September 2011, the Group entered into an agreement to acquire the entire issued share capital of Checkmate Finance Limited ("**Checkmate**") and its shareholder loan for a total consideration of HK$4,200,000. Checkmate is principally engaged in the business of money lending and investment holdings and holds a money lenders licence under the Money Lenders Ordinance. Completion of the acquisition of Checkmate took place immediately after the entering into of the agreement and the consideration of HK$4,200,000 had been paid by the Group in cash. Details of information were set out in the announcement of the Company dated 12 September 2011.

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2011, there was no charge on the Group's assets (2010: nil).

CAPITAL COMMITMENTS

As at 31 December 2011, the Group did not have undertaken any material capital commitments (2010: nil).

CONTINGENT LIABILITIES

As at 31 December 2011, the Group did not have any material contingent liabilities (2010: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2011, the Group had 16 employees (2010: 88). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees in Hong Kong.

For the year ended 31 December 2010

BUSINESS REVIEW

Computech reported a decrease in turnover of approximately 21% for the year of 2010, which was mainly due to termination of call centre service with our major customer in 2009.

FINANCIAL REVIEW

The Group recorded a turnover HK$25,914,000 and loss attributable to shareholders of HK$14,353,000 for the year ended 31 December 2010, compared to HK$32,732,000 and HK$4,974,000 respectively for the previous year. The loss per share for the year ended 31 December 2010 was HK$1.74 cents (2009: HK$0.65 cents).

Significant increase in comprehensive loss attributable to equity holders was due to (i) decrease in turnover as a result of termination of call centre services with one of the major customers in last year and (ii) acquisition-related expenses including but not limited to professional fee, financial adviser fee, consultancy fee and valuation fee incurred during the year as compared with 2009.

As discussed above, administrative expenses amounted to approximately HK$17,852,000 for the year ended 31 December 2010, representing an approximately 56% increase compared with last year, which was resulted from professional fees incurred for the acquisition during the year. If excluding the acquisition related cost, the administrative expenses decreased in line with the turnover.

FINANCIAL RESOURCES AND LIQUIDITY

The Group generally finances its daily operations from internally generated cash flows and fund raised in capital raising exercise. As at 31 December 2010, the total assets of the Group were approximately HK$26,687,000 (2009: HK$16,352,000), including cash and bank deposits of approximately HK$21,289,000 (2009: HK$8,362,000) and debtors, deposits and prepayments of approximately HK$1,359,000 (2009: HK$1,671,000). The total current liabilities of the Group were about HK$7,278,000 (2009: HK$4,936,000). The Group's current ratio, current assets over its current liabilities, was approximately 3.7 times (2009: 3.3 times).

At the end of financial year 2010, the Group did not have any loans due to banks or financial institutions. The total non-current liabilities of the Group was nil

(2009: nil), where including bank loans and long-term borrowings. As a result, the group had no gearing, calculated on the basis of net debt to shareholders funds, as at 31 December 2010.

CAPITAL STRUCTURE

Placing of new shares under general mandate (the "2010 Placing")

Under the general mandate granted by annual general meeting of the Company held or 3 May 2010, the Company entered into the placing agreement with United Simsen Securities Limited as the placing agent pursuant to which the Company has agreed to place a maximum of 100,000,000 placing shares to not fewer than six Placees at a price of HK$0.20 per placing share on 6 August 2010. The 2010 Placing was completed on 9 September 2010 in accordance with the terms and conditions of the Placing Agreement. The total number of 100,000,000 new Shares have been issued and allotted by the Company to the placees at price of HK$0.2 per placing share. The net proceeds from the 2010 Placing amount to approximately HK$19.5 million.

Save as disclosed above, there was no change on the Group's capital structure for the year ended 31 December 2010.

FOREIGN EXCHANGE

The Group's foreign exchange risk is primarily attributable to its creditors. The Group's purchases were principally denominated in Hong Kong Dollars and Renminbi, with the majority of which denominated in Hong Kong Dollars. As the foreign exchange risks were insignificant to the Group, the Group has not applied any financial instruments for foreign currency hedging purposes during the year 2010 under review.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES

On 2 June 2010, Mr. Lam Fung, Full Harbour International Limited, Monz Investments Limited, Apex Return Sdn Bhd, Debut Supreme Capital Sdn Bhd, Splendid Horizon Sdn Bhd, Fabulous Way Limited and Dragonrider Opportunity Fund L.P. (collectively the "**Wiseking Mining Vendors**") and the Company had entered into the Agreement (the "**Mine Acquisition Agreement**") (as supplemented by the supplemental agreement dated 28 July 2010) pursuant to which, among other things, (i) the Wiseking Mining Vendors conditionally agreed to sell and the Company conditionally agreed to purchase the 861,133 shares of Wiseking Mining Investment Company Limited (the "**Wiseking Mining**"), representing 86% of the entire issued share capital of Wiseking Mining, and the sale loans; (ii) the consideration of the acquisition (the "**Mine Acquisition**") is HK$2,395,601,000 (subject to adjustments), which shall be satisfied by the Company by a combination of cash, issue and allotment of the 7,987,015,625 convertible preference shares at an issue price of HK$0.128 per convertible preference shares and promissory notes; and

(iii) the Company undertakes in favour of the Wiseking Mining Vendors that within 30 days after the execution of the Mine Acquisition Agreement, the Company will use it best endeavours, to make a conditional offer to the remaining shareholders to acquire the remaining shares, representing approximately 14% of the entire issued share capital of the Wiseking Mining, at a total consideration of HK$282,000,000 by way of cash and/or the 5% coupon promissory notes in a maximum aggregate principal amount of HK$282,000,000 issued by the Company. Completion is subject to fulfillment or waiver of certain conditions precedent. Details of the mine Acquisition refers to announcement dated 28 July 2010.

Save for the Acquisition disclosed above, there was neither material acquisition nor disposal of subsidiaries and affiliated companies of the Group for the year ended 31 December 2010 (31 December 2009: Nil).

CHARGE ON THE GROUP'S ASSETS

As at 31 December 2010, there was no charge on the Group's assets (2009: nil).

CAPITAL COMMITMENTS

The completion of the Mine Acquisition is subject to fulfillment or waiver of certain conditions precedent pursuant to the Mine Acquisition Agreement and the Mine Acquisition is under the due diligence review. No capital commitment existed at 31 December 2010.

Save as disclosed, the Group did not have undertaken any material investments at 31 December 2010 (2009: nil).

CONTINGENT LIABILITIES

Save as disclosed, the Group did not have any material contingent liabilities at 31 December 2010 (2009: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the Group had 88 employees (2009: 107). Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employee. Year-end bonus based on individual performance will be paid to employees as recognition of and reward for their contributions. Other benefits include contributions to statutory mandatory provident fund scheme and medical scheme to its employees in Hong Kong.

The following is the text of a report, prepared for the sole purpose of inclusion in this circular, received from the reporting accountants, HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

HLB 國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

24 August 2013

The Directors
Computech Holdings Limited

Dear Sirs,

We set out below our report on the financial information (the "**Financial Information**") of Luck Key Investment Limited (the "**Target Company**") and its subsidiaries (hereinafter collectively referred to as the "**Target Group**") for the years ended 31 December 2010, 2011 and 2012 and the five months ended 31 May 2013 (the "**Relevant Periods**"), for inclusion in the circular dated 24 August 2013 (the "**Circular**") issued by Computech Holdings Limited (the "**Company**") in connection with the proposed acquisition of the entire equity interests in the Target Company by the Company and the sale loan, representing all obligations, liabilities and debts arising or incurred by the Target Group to the vendors prior to the completion of the acquisition (the "**Acquisition**"), pursuant to a sale and purchase agreement dated 16 April 2013. The Financial Information comprised the consolidated statements of financial position as at 31 December 2010, 2011 and 2012 and 31 May 2013, and the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the Relevant Periods, and a summary of significant accounting policies and other explanatory information.

The Target Company was incorporated in the British Virgin Islands ("**BVI**") with limited liability on 22 September 2009 with an authorised share capital of US$50,000 divided into 50,000 ordinary shares of US$1 each.

As at the date of this report, the Target Company has the following subsidiaries:

Name of subsidiaries	Date and place of incorporation	Issued and fully paid up share capital	Equity interest attributable to the Target Company	Principal activities
Hong Kong Health Check and Medical Diagnostic Group Limited *(note (i))*	5 December 2005, British Virgin Islands	Ordinary shares of US$1,000	100% (direct)	Investment holding
Polyray Technology Limited *(note (i))*	4 May 1993, Hong Kong	Ordinary shares of HK$17,000	100% (indirect)	Provision of health check and health care related services
Polylight Technology Limited *(note (i))*	18 March 1998, Hong Kong	Ordinary shares of HK$3,200,000	100% (indirect)	Provision of health check and health care related services
Hong Kong Gastrointestinal Endoscopy Investigation Centre Limited *(note (i))*	2 March 2006, Hong Kong	Ordinary share of HK$1	100% (indirect)	Not yet commenced business
Hong Kong Health Check Centre Limited *(note (i))*	27 January 2006, Hong Kong	Ordinary share of HK$1	100% (indirect)	Provision of health check and health care related services
International Health Decoding Group Limited *(note (i))*	15 September 2005, Hong Kong	Ordinary shares of HK$915	100% (indirect)	Not yet commenced business
Hong Kong Health Check and Medical Diagnostic Centre Limited *(note (i))*	27 January 2006, Hong Kong	Ordinary share of HK$1	100% (indirect)	Provision of health check and health care related services

Name of subsidiaries	Date and place of incorporation	Issued and fully paid up share capital	Equity interest attributable to the Target Company	Principal activities
Hong Kong Health Check Centre Membership Limited *(note (i))*	8 March 2007, Hong Kong	Ordinary share of HK$1	100% (indirect)	Provision of health check and health care related services
Prosperity Management Limited *(note (i))*	30 March 2006, Hong Kong	Ordinary share of HK$1	100% (indirect)	Provision of administrative services
Well Goal Management Limited *(note (i))*	8 April 2006, Hong Kong	Ordinary share of HK$1	100% (indirect)	Holding of trademark
HK Health Check Limited *(note (i))*	2 January 2007, Hong Kong	Ordinary shares of HK$100	89% (indirect)	Provision of health check and health care related services
Yuen Foong Medical and Imaging Diagnostic Centre Limited *(note (ii))*	28 October 2010, Hong Kong	Ordinary shares of HK$37,887	72.14% (indirect)	Provision of health check and health care related services
Hong Kong Health Check Prenatal Diagnostic Centre Limited *(note (i))*	6 February 2007, Hong Kong	Ordinary share of HK$1	100% (indirect)	Not yet commenced business
International Health Check and Laboratory Holdings Company Limited *(note (i))*	18 April 2007, Hong Kong	Ordinary share of HK$1	100% (indirect)	Not yet commenced business
China Health Check and Laboratory Holdings Company Limited *(note (i))*	25 June 2007, Hong Kong	Ordinary share of HK$1	100% (indirect)	Not yet commenced business

Name of subsidiaries	Date and place of incorporation	Issued and fully paid up share capital	Equity interest attributable to the Target Company	Principal activities
Joy Surplus International Limited *(note (iii))*	23 May 2007, BVI	Ordinary share of US$1	100% (indirect)	Investment holding
Speedco Pacific Limited *(note (iii))*	13 April 2007, BVI	Ordinary share of US$1	100% (indirect)	Investment holding
Group Benefit Development Limited *(note (i))*	15 May 1987, Hong Kong	Ordinary shares of HK$3,403,333	98.53% (indirect)	Provision of diagnostic scanning services
Good Fortune Technologies Limited *(note (i))*	16 March 1993, Hong Kong	Ordinary shares of HK$2,550,000	52.16% (indirect)	Provision of diagnostic scanning services
Hong Kong Genesis Laboratory Centre Limited *(note (ii))*	5 May 2011, Hong Kong	Ordinary shares of HK$100	100% (indirect)	Provision of molecular testing services

Notes:

(i) The respective statutory financial statements of these subsidiaries for each of the years ended 31 December 2010 and 2011 have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and audited by Messrs. HLB Hodgson Impey Cheng, Certified Public Accountants, Hong Kong and the respective statutory financial statements of these subsidiaries for the year ended 31 December 2012 have been prepared in accordance with HKFRSs issued by the HKICPA and audited by HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

(ii) The respective statutory financial statements of these subsidiaries for each of the period ended 31 December 2011 have been prepared in accordance with HKFRSs issued by the HKICPA and audited by Messrs. HLB Hodgson Impey Cheng, Certified Public Accountants, Hong Kong and the respective statutory financial statements of these subsidiaries for the year ended 31 December 2012 have been prepared in accordance with HKFRSs issued by the HKICPA and audited by HLB Hodgson Impey Cheng Limited, Certified Public Accountants, Hong Kong.

(iii) No audited statutory financial statements of these subsidiaries have been prepared as there is no statutory requirements for these entities to prepare audited financial statements in their places of incorporation.

The financial year end date of the companies now comprising the Target Group is 31 December.

No audited statutory financial statements have been prepared for the Target Company since its date of incorporation as there is no statutory requirements for this entity to prepare audited financial statements in its place of incorporation.

For the purpose of this report, the directors of the Company have prepared the consolidated financial statements of the Target Group for the Relevant Periods in accordance with HKFRSs issued by the HKICPA (the "**Underlying Financial Statements**") and using accounting policies which are materially consistent with those of the Company. We have, for the purpose of this report, carried out appropriate audit procedures in respect of the Underlying Financial Statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA.

We have undertaken an independent audit on the Underlying Financial Statements for the Relevant Periods in accordance with Hong Kong Standards on Auditing issued by the HKICPA. We have examined the Underlying Financial Statements in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the HKICPA.

The Financial Information of the Target Group for the Relevant Periods set out in this report has been prepared based on the Underlying Financial Statements. No adjustments to the Underlying Financial Statements are considered necessary in the preparation of this report for inclusion in the Circular.

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

In our opinion, the Financial Information together with the notes thereon gives, for the purpose of this report, a true and fair view of the state of affairs of the Target Group as at 31 December 2010, 2011 and 2012 and 31 May 2013, and of the consolidated results and consolidated cash flows of the Target Group for the Relevant Periods.

The comparative consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Target Group for the five months ended 31 May 2012 together with the notes thereon have been extracted from the unaudited consolidated financial information of the Target Group for the same period (the "**Comparative Financial Information**") which was prepared by the directors of the Target Company for the purpose of this report. We have reviewed the Comparative Financial Information in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. Our review consists principally of making enquiries, principally of persons responsible for financial and auditing matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we could become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the Comparative Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the Comparative Financial Information is not prepared, in all material respects, in accordance with the accounting policies set out in Note 3 of Section II below.

I. FINANCIAL INFORMATION OF THE TARGET GROUP

Consolidated statements of comprehensive income

	Notes	Year ended 31 December 2010 HK$'000	Year ended 31 December 2011 HK$'000	Year ended 31 December 2012 HK$'000	Five months ended 31 May 2012 HK$'000 (unaudited)	Five months ended 31 May 2013 HK$'000
Revenue	4	164,308	193,086	185,666	75,453	69,055
Cost of services		(47,358)	(40,213)	(29,887)	(15,766)	(10,027)
Other income	5	6,131	1,112	1,043	41	21
Impairment loss on goodwill		(65,613)	–	–	–	–
(Loss)/gain on disposal of property, plant and equipment		(2,356)	(1,599)	12,890	(968)	–
Gain on disposal of subsidiaries		–	5	10,120	10,101	–
Other operating expenses		(152,247)	(157,116)	(160,111)	(65,871)	(61,925)
Share of results of an associate	13	1,115	1,238	995	364	519
Operating (loss)/profit		(96,020)	(3,487)	20,716	3,354	(2,357)
Finance costs		(254)	(125)	(230)	(50)	–
(Loss)/profit before income tax	6	(96,274)	(3,612)	20,486	3,304	(2,357)
Income tax credit/(expense)	7	1,122	2,190	1,173	(148)	(29)
(Loss)/profit for the year/period		(95,152)	(1,422)	21,659	3,156	(2,386)
Other comprehensive income		–	–	–	–	–
Total comprehensive (loss)/income for the year/period		(95,152)	(1,422)	21,659	3,156	(2,386)

	Notes	Year ended 31 December 2010 HK$'000	Year ended 31 December 2011 HK$'000	Year ended 31 December 2012 HK$'000	Five months ended 31 May 2012 HK$'000 (unaudited)	Five months ended 31 May 2013 HK$'000
(Loss)/profit attributable to:						
Owners of the Target Company		(95,137)	(2,690)	21,503	3,434	(2,400)
Non-controlling interests		(15)	1,268	156	(278)	14
		(95,152)	(1,422)	21,659	3,156	(2,386)
Total comprehensive (loss)/income attributable to:						
Owners of the Target Company		(95,137)	(2,690)	21,503	3,434	(2,400)
Non-controlling interests		(15)	1,268	156	(278)	14
		(95,152)	(1,422)	21,659	3,156	(2,386)

Consolidated statements of financial position

	Notes	As at 31 December 2010 HK$'000	As at 31 December 2011 HK$'000	As at 31 December 2012 HK$'000	As at 31 May 2013 HK$'000
NON-CURRENT ASSETS					
Property, plant and equipment	11	111,797	108,146	78,903	73,281
Interest in an associate	13	869	807	1,282	1,281
		112,666	108,953	80,185	74,562
CURRENT ASSETS					
Inventories		1,663	1,746	2,692	2,197
Debtors, deposits and prepayments	14	32,991	32,286	34,600	33,308
Amounts due from non-controlling interests	15	1,181	–	–	–
Amount due from an associate	13	–	520	–	–
Tax recoverable		2,062	41	–	–
Pledged bank deposits	16	10,000	–	–	–
Cash and bank balances		39,154	26,669	15,066	21,604
		87,051	61,262	52,358	57,109
CURRENT LIABILITIES					
Creditors, accruals and other payables	17	13,181	8,662	9,388	11,885
Amount due to a shareholder	18	123,548	104,138	67,021	67,021
Amounts due to non-controlling interests	15	1,492	1,461	798	–
Tax payable		–	–	44	73
Bank borrowings	19	5,167	4,771	–	–
		143,388	119,032	77,251	78,979
NET CURRENT LIABILITIES		(56,337)	(57,770)	(24,893)	(21,870)

	Notes	As at 31 December 2010 HK$'000	As at 31 December 2011 HK$'000	As at 31 December 2012 HK$'000	As at 31 May 2013 HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		56,329	51,183	55,292	52,692
NON-CURRENT LIABILITIES					
Deferred tax liabilities	*20*	7,218	5,188	3,435	3,435
NET ASSETS		49,111	45,995	51,857	49,257
CAPITAL AND RESERVES					
Share capital	*21*	83	83	83	83
Share premium and reserve		43,289	40,599	49,924	47,524
EQUITY ATTRIBUTABLE TO OWNERS OF THE TARGET COMPANY		43,372	40,682	50,007	47,607
Non-controlling interests		5,739	5,313	1,850	1,650
TOTAL EQUITY		49,111	45,995	51,857	49,257

Consolidated statements of changes in equity

	Attributable to owners of the Target Company						
	Share capital *HK$'000* *(Note 21)*	Share premium *HK$'000*	Other reserve *HK$'000*	Accumulated losses *HK$'000*	Sub total *HK$'000*	Non-controlling interests *HK$'000*	Total *HK$'000*
At 1 January 2010	77	142,964	–	(24,810)	118,231	4,165	122,396
Issue of ordinary shares	6	8,094	–	–	8,100	–	8,100
Dividends paid to non-controlling interests	–	–	–	–	–	(240)	(240)
Capital contributions from non-controlling interests	–	–	–	–	–	7	7
Changes in ownership interest in a subsidiary without loss of control	–	–	12,178	–	12,178	1,822	14,000
Total comprehensive loss for the year	–	–	–	(95,137)	(95,137)	(15)	(95,152)
At 31 December 2010 and 1 January 2011	83	151,058	12,178	(119,947)	43,372	5,739	49,111
Dividends paid to non-controlling interests	–	–	–	–	–	(542)	(542)
Disposal of a subsidiary	–	–	–	–	–	(1,152)	(1,152)
Total comprehensive loss for the year	–	–	–	(2,690)	(2,690)	1,268	(1,422)
At 31 December 2011 and 1 January 2012	83	151,058	12,178	(122,637)	40,682	5,313	45,995
Disposal of a subsidiary	–	–	(12,178)	–	(12,178)	(3,619)	(15,797)
Total comprehensive income for the year	–	–	–	21,503	21,503	156	21,659
At 31 December 2012	83	151,058	-	(101,134)	50,007	1,850	51,857

	Attributable to owners of the Target Company						
	Share capital *HK$'000* *(Note 21)*	**Share premium** *HK$'000*	**Other reserve** *HK$'000*	**Accumulated losses** *HK$'000*	**Sub total** *HK$'000*	**Non-controlling interests** *HK$'000*	**Total** *HK$'000*
At 1 January 2013	83	151,058	–	(101,134)	50,007	1,850	51,857
Disposal of a subsidiary	–	–	–	–	–	(214)	(214)
Total comprehensive loss for the period	–	–	–	(2,400)	(2,400)	14	(2,386)
At 31 May 2013	83	151,058	–	(103,534)	47,607	1,650	49,257
(Unaudited)							
At 1 January 2012	83	151,058	12,178	(122,637)	40,682	5,313	45,995
Disposal of a subsidiary	–	–	(12,178)	–	(12,178)	(3,619)	(15,797)
Total comprehensive income for the period	–	–	–	3,434	3,434	(278)	3,156
At 31 May 2012	83	151,058	–	(119,203)	31,938	1,416	33,354

Consolidated statements of cash flows

	Year ended 31 December 2010 *HK$'000*	Year ended 31 December 2011 *HK$'000*	Year ended 31 December 2012 *HK$'000*	Five months ended 31 May 2012 *HK$'000* (unaudited)	Five months ended 31 May 2013 *HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES					
(Loss)/profit before income tax	(96,274)	(3,612)	20,486	3,304	(2,357)
Adjustments for:					
Interest income	(92)	(51)	(8)	(4)	(3)
Interest expenses	254	125	230	50	–
Depreciation	17,816	26,142	25,450	11,014	9,457
Share of results of an associate	(1,115)	(1,238)	(995)	(364)	(519)
Impairment loss on trade debtors	–	450	102	–	–
Impairment loss on goodwill	65,613	–	–	–	–
Equity-settled share-based payment expenses	16,571	–	–	–	–
Loss/(gain) on disposal of property, plant and equipment	2,356	1,599	(12,890)	968	–
Gain on disposals of subsidiaries	–	(5)	(10,120)	(10,101)	–
Operating profit before working capital changes	5,129	23,410	22,255	4,867	6,578
(Increase)/decrease in inventories	(185)	(83)	(1,281)	(882)	495
(Increase)/decrease in debtors, deposits and prepayments	(2,086)	485	(4,908)	1,316	3,120
Increase/(decrease) in creditors, accruals and other payables	1,480	(4,564)	1,446	5,315	2,509
Decrease in amounts due to non-controlling interests	–	–	(653)	–	–
Net cash generated from operations	4,338	19,248	16,859	10,616	12,702
Income tax (paid)/refunded	(1,527)	2,181	(27)	–	–
NET CASH GENERATED FROM OPERATING ACTIVITIES	2,811	21,429	16,832	10,616	12,702

	Year ended 31 December 2010 *HK$'000*	Year ended 31 December 2011 *HK$'000*	Year ended 31 December 2012 *HK$'000*	Five months ended 31 May 2012 *HK$'000* (unaudited)	Five months ended 31 May 2013 *HK$'000*
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	92	51	8	4	3
Payments to acquire property, plant and equipment	(13,777)	(25,022)	(28,151)	(17,457)	(4,166)
Proceeds from disposals of property, plant and equipment	813	1,302	37,563	1,400	331
Dividends received from an associate	1,300	780	1,040	520	520
Net cash outflow arising on acquisition of a subsidiary	–	(556)	–	–	–
Net cash inflow arising on disposals of partial interests in a subsidiary	14,000	–	–	–	–
Net cash inflow/(outflow) arising on disposals of subsidiaries	–	–	3,223	3,146	(2,852)
Decrease in pledged bank deposits	–	10,000	–	–	–
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	2,428	(13,445)	13,683	(12,387)	(6,164)

	Year ended 31 December 2010 HK$'000	Year ended 31 December 2011 HK$'000	Year ended 31 December 2012 HK$'000	Five months ended 31 May 2012 HK$'000 (unaudited)	Five months ended 31 May 2013 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Interest paid	(254)	(125)	(230)	(50)	–
Issue of ordinary shares	8,100	–	–	–	–
Dividends paid to non-controlling interests	(240)	(542)	–	–	–
Capital contribution from non-controlling interests	7	–	–	–	–
Repayment from non-controlling interests	42	37	–	–	–
Repayment to non-controlling interests	–	(31)	–	(1)	–
Repayment to a shareholder	(75,785)	(19,410)	(37,117)	(27,000)	–
Proceeds from bank borrowings	–	–	21,336	21,336	–
Repayment of bank borrowings	(386)	(396)	(26,107)	(168)	–
NET CASH USED IN FINANCING ACTIVITIES	(68,516)	(20,467)	(42,118)	(5,883)	–
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(63,277)	(12,483)	(11,603)	(7,654)	6,538
Effect of foreign exchange rate changes	(6)	(2)	–	–	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	102,437	39,154	26,669	26,669	15,066
CASH AND CASH EQUIVALENTS AT END OF YEAR	39,154	26,669	15,066	19,015	21,604
Cash and bank balances	39,154	26,669	15,066	19,015	21,604

II. NOTES TO THE FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Target Company was incorporated with limited liability in the British Virgin Islands (the "**BVI**") on 22 September 2009 and acts as an investment holding company. The address of the registered office of the Target Company is Portcullis TrustNet Chambers, P.O. Box 3444, Road Town, Tortola, BVI.

The Financial Information is presented in thousands of units of Hong Kong dollars ("**HK$'000**"), which is the same as the functional currency of the Target Company.

2. BASIS OF PREPARATION

(a) Compliance with Hong Kong Financial Reporting Standards

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Target Group has consistently adopted Hong Kong Financial Reporting Standards ("**HKFRSs**"), Hong Kong Accounting Standards ("**HKAS**"), amendments and interpretations issued by the Hong Kong Institute of Certified Public Accountants (hereinafter collectively referred to as "**Hong Kong Financial Reporting Standards**") which are effective for the accounting periods beginning on 1 January 2013 throughout the Relevant Periods.

The Financial Information has been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the Financial Information includes disclosures required by the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

(b) Hong Kong Financial Reporting Standards in issue but not yet effective

At the date of this report, the HKICPA has issued the following new and revised standards, amendments and interpretations that are not yet effective. The Target Group has not early applied these standards, amendments and interpretations.

HKFRS 9	Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective Date of HKFRS 9 and Transition Disclosures[2]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities[1]
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities[1]
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets[1]
HK(IFRIC) - Int 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 January 2015.

The directors of the Target Company anticipate that the application of the new and revised standards, amendments or interpretations will have no material impact on the Financial Information.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Measurement basis

The Financial Information are prepared under the historical cost basis, except for the financial instruments which are carried at fair values.

(b) Basis of consolidation

The Financial Information include the financial statements of the Target Company and its subsidiaries for the years ended 31 December 2010, 2011 and 2012 and the five months ended 31 May 2012 and 2013.

The results of subsidiaries during the year dealt with in the consolidated statements of comprehensive income from the dates of acquisition.

All significant intra-group transactions and balances have been eliminated on consolidation.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business and net of discounts and sales related taxes.

Revenue from the provision of health check and health care related services is recognised when services are provided.

Dividend income from investments excluding financial assets at fair value through profit or loss is recognised when the shareholders' rights to receive payment have been established.

Interest income from a financial asset (other than a financial asset at fair value through profit or loss) is recognised when it is probable that the economic benefits will flow to the Target Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its present working condition and location for its intended use.

Repair and maintenance costs are charged to profit and loss in the period in which they are incurred.

Depreciation is calculated to write off the costs of property, plant and equipment to their estimated residual values over their estimated useful lives on a straight-line basis as set out below:

Leasehold land and buildings	:	Over the shorter of the terms of the lease, or 40 years
Leasehold improvements	:	10% to 20%
Plant, machinery and equipment	:	10% to 20%
Office equipment	:	10% to 40%
Furniture and fixtures	:	10% to 40%
Motor vehicles	:	20%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising from the disposal of an asset is determined as the difference between the net disposal proceeds and the carrying value of the asset and is recognised in profit or loss.

(e) Investments in subsidiaries

Subsidiaries are entities controlled by the Target Group. Control exists when the Target Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

(f) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

(g) Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Target Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit or loss.

(h) Payables

Payables are initially recognised at fair value and subsequently stated at amortised cost using the effective interest method.

(i) Employee benefits

Salaries, annual bonuses and annual leave entitlements are accrued in the year in which the associated services are rendered by employees of the Target Group.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in profit or loss as incurred.

(j) Impairment of assets

At the end of each reporting period, the Target Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as revaluation decrease under that standard.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as revaluation increase under that standard.

(k) Income tax

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

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

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Target Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of each reporting period. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or directly to equity, in which case the deferred tax is also dealt with in other comprehensive income or directly in equity respectively.

(l) Cash equivalents

Cash equivalents are short-term, highly liquid investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(m) Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are classified at their fair value at the date of acquisition or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as obligations under finance leases. Finance charges, which represent the difference between the total leasing commitments and the recorded value of the assets acquired, and charged to profit or loss over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the terms of the relevant leases.

(n) Related parties

A person or a close member of that person's family is related to the Target Group if that person (i) has control or joint control over the Target Group; (ii) has significant influence over the Target Group; or (iii) is a member of the key management personnel of the Target Group or of a parent of the Target Group.

An entity is related to the Target Group if (i) the entity and the Target Group are members of the same group of companies, (ii) the entity is an associate or a joint venture of either the Target Group or a member of a group of which the Target Group is a member, (iii) the Target Group is an associate or a joint venture of either the entity or a member of a group of which the entity is a member, (iv) the entity and the Target Group are joint ventures of the same third party, (v) the entity is a joint venture of a third entity and the Target Group is an associate of that third entity, (vi) the Target Group is a joint venture of a third entity and the entity is an associate of that third entity, (vii) the entity is a post-employment benefit plan for the benefit of employees of either the Target Group or an entity related to the Target Group, (viii) the entity is controlled or jointly controlled by a person related to the Target Group or a close member of that person's family, (ix) a person who has control or joint control over the Target Group has significant influence over the entity, or (x) a person who has control or joint control over the Target Group is a member of the key management personnel of the entity (or of a parent of the entity).

(o) Foreign currency translation

(a) Functional and presentation currency

Items included in the Financial Information of each of the Target Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "**functional currency**"). The Financial Information are presented in Hong Kong dollars, which is the Target Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(p) Significant judgement

In the process of applying the Target Group's accounting policies, judgements that can significantly affect the amounts recognised in the Financial Information are made in determining:

(i) whether the significant risks and rewards of ownership of goods have been transferred to the buyer;

(ii) whether there is an indication of impairment of assets;

(iii) whether the discount rates used to calculate the recoverable amount of assets are appropriate for the purpose of impairment review; and

(iv) the expected manner of recovery of the carrying amount of assets.

4. REVENUE

An analysis of the Target Group's revenue for the Relevant Periods is as follows:

	Year ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	Five months ended 31 May 2012	Five months ended 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Provision of health check and health care related services	164,308	193,086	185,666	75,453	69,055
	164,308	193,086	185,666	75,453	69,055

5. OTHER INCOME

	Year ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	Five months ended 31 May 2012	Five months ended 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Interest income	92	51	8	4	3
Gain on disposal of trading rights	3,784	–	–	–	–
Management fee income	183	–	–	–	–
Dividend income	800	500	–	–	–
Sundry income	1,272	561	1,035	37	18
	6,131	1,112	1,043	41	21

6. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax has been arrived at after charging:

	Year ended 31 December 2010 *HK$'000*	Year ended 31 December 2011 *HK$'000*	Year ended 31 December 2012 *HK$'000*	Five months ended 31 May 2012 *HK$'000* (unaudited)	Five months ended 31 May 2013 *HK$'000*
Cost of services expensed	47,358	40,213	29,887	15,766	10,027
Minimum lease payments under operating leases	11,318	12,748	13,199	5,190	5,006
Auditors' remuneration	490	510	463	250	202
Depreciation of property, plant and equipment	17,395	24,867	24,987	10,551	9,457
Impairment loss on trade debtors	–	450	102	–	–
Employee benefits expense:					
– Directors' remuneration *(Note 10)*	422	720	938	380	275
– Other staff salaries and benefits	90,774	83,965	88,725	35,392	34,906
– Contribution to retirement benefits scheme	1,516	1,931	1,977	771	772
	92,712	86,616	91,640	36,543	35,953

7. INCOME TAX (CREDIT)/EXPENSE

	Year ended 31 December 2010 *HK$'000*	Year ended 31 December 2011 *HK$'000*	Year ended 31 December 2012 *HK$'000*	Five months ended 31 May 2012 *HK$'000* (unaudited)	Five months ended 31 May 2013 *HK$'000*
Current tax:					
– Hong Kong Profits Tax	347	44	260	148	29
– Over provision of current tax in prior years	(4)	(204)	–	–	–
Deferred tax *(Note 20)*:					
– Current year	(1,465)	(2,030)	(1,433)	–	–
	(1,122)	(2,190)	(1,173)	148	29

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the Relevant Periods.

The income tax (credit)/expense for the year can be reconciled to the (loss)/profit per consolidated statements of comprehensive income as follows:

	Year ended 31 December 2010 HK$'000	Year ended 31 December 2011 HK$'000	Year ended 31 December 2012 HK$'000	Five months ended 31 May 2012 HK$'000 (unaudited)	Five months ended 31 May 2013 HK$'000
(Loss)/profit before income tax	(96,274)	(3,612)	20,486	3,304	(2,357)
Tax at Hong Kong profits tax rate at 16.5%	(15,885)	(596)	3,380	545	(389)
Tax effect of income that is not taxable	(1,138)	(126)	(10,463)	(6,622)	(86)
Tax effect of expenses that are not deductible	11,392	325	6,443	5,411	281
Tax effect of unrecognised temporary differences	(952)	(2,445)	(1,449)	957	1,302
Over provision of current tax in prior years	(4)	(204)	–	–	–
Utilisation of tax losses previously not recognised	(150)	(1,793)	–	(601)	(1,318)
Tax effect of tax losses not recognised	5,615	2,649	916	458	239
Income tax (credit)/expense	(1,122)	(2,190)	(1,173)	148	29

8. (LOSS)/EARNINGS PER SHARE

No (loss)/earnings per share information is presented as its inclusion, for the purpose of this report, is not considered meaningful.

9. RETIREMENT BENEFIT COSTS

The Target Group participated a Mandatory Provident Fund Scheme (the "**MPF Scheme**") established under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately in independently managed and administered funds. Contributions to the MPF Scheme are made by both the employer and employees at 5% on the employees' salaries.

10. DIRECTORS' EMOLUMENTS AND EMPLOYEES' EMOLUMENTS

(a) Directors' emoluments

The emoluments paid by the Target Group to the directors during the Relevant Periods were as follows:

	Fees	Salaries and other benefits	Contributions to retirement benefits scheme	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Year ended 31 December 2010				
Directors:				
Cho Kwai Yee, Kevin	–	60	–	60
Fung Yiu Tong, Bennet	–	356	6	362
Hui Ka Wah, Ronnie	–	–	–	–
	–	416	6	422
Year ended 31 December 2011				
Directors:				
Cho Kwai Yee, Kevin	–	360	12	372
Fung Yiu Tong, Bennet	–	336	12	348
Hui Ka Wah, Ronnie (resigned on 30 June 2011)	–	–	–	–
Wong Seung Ming (appointed on 30 June 2011)	–	–	–	–
	–	696	24	720
Year ended 31 December 2012				
Directors:				
Cho Kwai Yee, Kevin	–	360	14	374
Fung Yiu Tong, Bennet	–	550	14	564
Wong Seung Ming	–	–	–	–
	–	910	28	938
Five months ended 31 May 2013				
Directors:				
Cho Kwai Yee, Kevin	–	150	6	156
Fung Yiu Tong, Bennet	–	113	6	119
Wong Seung Ming	–	–	–	–
	–	263	12	275

	Fees	Salaries and other benefits	Contributions to retirement benefits scheme	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
(Unaudited)				
Five months ended 31 May 2012				
Directors:				
Cho Kwai Yee, Kevin	–	150	5	155
Fung Yiu Tong, Bennet	–	220	5	225
Wong Seung Ming	–	–	–	–
	–	370	10	380

(b) Employees' emoluments

	Year ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	Five months ended 31 May 2012	Five months ended 31 May 2013
	(Number of individuals)	*(Number of individuals)*	*(Number of individuals)*	*(Number of individuals)* (unaudited)	*(Number of individuals)*
Directors	–	–	–	–	–
Non-directors	5	5	5	5	5
5 highest-paid individuals	5	5	5	5	5

The emoluments and designated band of the above non-directors, highest paid individuals during the Relevant Periods were as follows:

	Year ended 31 December 2010	Year ended 31 December 2011	Year ended 31 December 2012	Five months ended 31 May 2012	Five months ended 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000* (unaudited)	*HK$'000*
Salaries and other benefits	17,179	17,377	20,183	7,747	9,035
Contribution to retirement benefits scheme	60	60	69	25	31
	17,239	17,437	20,252	7,772	9,066

The emoluments of each of the above non-director, highest paid individuals were within the following bands:

	Year ended 31 December 2010 *(Number of individuals)*	**Year ended 31 December 2011** *(Number of individuals)*	**Year ended 31 December 2012** *(Number of individuals)*	**Five months ended 31 May 2012** *(Number of individuals)* (unaudited)	**Five months ended 31 May 2013** *(Number of individuals)*
HK$1,500,001 – HK$2,000,000	–	–	–	5	4
HK$2,000,001 – HK$2,500,000	–	–	–	–	1
HK$2,500,001 – HK$3,000,000	–	–	–	–	–
HK$3,000,001 – HK$3,500,000	4	3	–	–	–
HK$3,500,001 – HK$4,000,000	–	2	4	–	–
HK$4,000,001 – HK$4,500,000	1	–	–	–	–
HK$4,500,001 – HK$5,000,000	–	–	1	–	–
	5	5	5	5	5

During the Relevant Periods, no emoluments were paid by the Target Group to any of the Target Company's directors or the five highest paid individuals of the Target Group (including directors and employees) as an inducement to join, or upon joining the Target Group or as compensation for loss of office. None of the Target Company's directors waived any emoluments during the Relevant Periods.

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings	Leasehold improvements	Plant, machinery and equipment	Office equipment	Furniture and fixtures	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:							
At 1 January 2010	15,153	21,990	115,841	6,094	743	759	160,580
Additions	–	3,093	8,441	1,006	521	716	13,777
Disposals	–	(3,480)	(3,268)	(142)	(7)	(430)	(7,327)
Exchange realignment	–	–	–	8	–	–	8
At 31 December 2010	15,153	21,603	121,014	6,966	1,257	1,045	167,038
Accumulated depreciation:							
At 1 January 2010	169	5,847	34,045	1,310	105	105	41,581
Charge for the year	325	2,578	13,865	729	123	196	17,816
Written back on disposals	–	(1,172)	(2,822)	(32)	(2)	(130)	(4,158)
Exchange realignment	–	–	–	2	–	–	2
At 31 December 2010	494	7,253	45,088	2,009	226	171	55,241
Net book value:							
At 31 December 2010	14,659	14,350	75,926	4,957	1,031	874	111,797
Cost:							
At 1 January 2011	15,153	21,603	121,014	6,966	1,257	1,045	167,038
Additions	–	5,700	16,196	2,514	612	–	25,022
Acquisition of a subsidiary	–	–	368	–	–	–	368
Disposals	–	(2,994)	(2,536)	–	(8)	–	(5,538)
Exchange realignment	–	–	–	3	–	–	3
At 31 December 2011	15,153	24,309	135,042	9,483	1,861	1,045	186,893
Accumulated depreciation:							
At 1 January 2011	494	7,253	45,088	2,009	226	171	55,241
Charge for the year	325	2,959	21,452	912	286	208	26,142
Written back on disposals	–	(1,798)	(833)	–	(6)	–	(2,637)
Exchange realignment	–	–	–	1	–	–	1
At 31 December 2011	819	8,414	65,707	2,922	506	379	78,747
Net book value:							
At 31 December 2011	14,334	15,895	69,335	6,561	1,355	666	108,146

	Leasehold land and buildings	Leasehold improvements	Plant, machinery and equipment	Office equipment	Furniture and fixtures	Motor vehicles	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Cost:							
At 1 January 2012	15,153	24,309	135,042	9,483	1,861	1,045	186,893
Additions	–	2,198	24,891	839	223	–	28,151
Disposals of subsidiaries	–	(2,277)	(6,352)	(185)	(868)	(329)	(10,011)
Disposals	(15,153)	(1,914)	(19,630)	(2,404)	(443)	–	(39,544)
At 31 December 2012	–	22,316	133,951	7,733	773	716	165,489
Accumulated depreciation:							
At 1 January 2012	819	8,414	65,707	2,922	506	379	78,747
Charge for the year	189	2,670	21,171	1,066	189	165	25,450
Disposals of subsidiaries	–	(631)	(1,560)	(90)	(260)	(199)	(2,740)
Written back on disposals	(1,008)	(1,068)	(11,387)	(1,212)	(196)	–	(14,871)
At 31 December 2012	–	9,385	73,931	2,686	239	345	86,586
Net book value:							
At 31 December 2012	–	12,931	60,020	5,047	534	371	78,903
Cost:							
At 1 January 2013	–	22,316	133,951	7,733	773	716	165,489
Additions	–	100	3,896	170	–	–	4,166
Disposals	–	(7)	(399)	(25)	–	–	(431)
At 31 May 2013	–	22,409	137,448	7,878	773	716	169,224
Accumulated depreciation:							
At 1 January 2013	–	9,385	73,931	2,686	239	345	86,586
Charge for the period	–	1,029	7,956	376	36	60	9,457
Written back on disposals	–	(1)	(93)	(6)	–	–	(100)
At 31 May 2013	–	10,413	81,794	3,056	275	405	95,943
Net book value:							
At 31 May 2013	–	11,996	55,654	4,822	498	311	73,281

The leasehold land and building is situated in Hong Kong under long lease.

Depreciation of property, plant and equipment of approximately HK$421,000, HK$1,275,000, HK$463,000, HK$463,000 and HK$Nil for the years ended 31 December 2010, 2011 and 2012 and for the five months ended 31 May 2012 and 2013 respectively were included in costs of services.

Plant and machinery with a carrying amount of approximately HK$33,607,000, HK$31,319,000, HK$24,230,000 as at 31 December 2010, 2011 and 2012 respectively had been pledged to secure general banking facilities granted to the Target Group.

Leasehold land and buildings with a carrying amount of approximately HK$11,877,000 and HK$11,626,000 as at 31 December 2010 and 2011 respectively had been pledged to secure a mortgage loan granted by a bank to the Target Group.

12. GOODWILL

	HK$'000
Cost:	
At 1 January 2010, 31 December 2010, 31 December 2011, 31 December 2012 and 31 May 2013	65,613
Impairment loss:	
At 1 January 2010	–
Impairment loss	65,613
At 31 December 2010, 31 December 2011, 31 December 2012 and 31 May 2013	65,613
Net book value:	
At 31 May 2013	–
At 31 December 2012	–
At 31 December 2011	–
At 31 December 2010	–

Note:

For the purposes of impairment testing at 31 December 2010, goodwill has been allocated to two-generating units ("**CGUs**") representing the operating activities of Group Benefit Development Limited and its subsidiaries (the "**Group Benefit Group**") which are the provision of health check and health care related services, and the operating activities of Health Walk Limited and its subsidiaries (the "**Health Walk Group**") which are the sales of radioactive isotopes used for medical diagnostic purposes.

The recoverable amount of the CGUs were determined based on value-in-use calculations using cash flow projections based on financial budgets covering a five-year period approved by the management. Cash flows beyond the five-year period are extrapolated using a steady 3% per annum growth rate. The cash flow projections of the Group Benefit Group and Health Walk Group are discounted at pre-tax discount rates of 15.91% and 20.38% per annum respectively which reflect the specific risks relating to these CGUs.

The key assumptions for the value-in-use calculations are those regarding the discount rates, the budgeted revenue and budgeted expenses during the forecasting periods, which are determined by management based on past performance and managements' expectations for the market development.

The impairment testing was carried out by management based on value-in-use calculations and with reference to valuation carried out by an independent professional valuer, BMI Appraisals Limited.

13. INTEREST IN AN ASSOCIATE

	As at 31 December 2010 *HK$'000*	As at 31 December 2011 *HK$'000*	As at 31 December 2012 *HK$'000*	As at 31 May 2013 *HK$'000*
At beginning of the year/period	1,054	869	807	1,282
Dividend income from an associate	(1,300)	(1,300)	(520)	(520)
Share of profit of an associate	1,115	1,238	995	519
At end of year/period	869	807	1,282	1,281

Details of the Target Group's associate as at 31 December 2010, 2011 and 2012 and 31 May 2013 is as follows:

Name of entity	Place of incorporation	Principal activities	Particulars of issued share capital	Attributable equity interest held by the Target Group
First Oriental Nuclear Medicine Limited	Hong Kong	Provision of PETscanning services	Ordinary shares HK$200	25.61%

The summarised financial information in respect of the Target Group's associate is set out below:

	As at 31 December 2010 *HK$'000*	As at 31 December 2011 *HK$'000*	As at 31 December 2012 *HK$'000*	As at 31 May 2013 *HK$'000*
Total assets	5,917	4,681	7,243	7,192
Total liabilities	(2,575)	(1,575)	(2,312)	(2,265)
Net assets	3,342	3,106	4,931	4,927
Target Group's share of net assets of an associate	869	807	1,282	1,281

	Year ended 31 December 2010 HK$'000	Year ended 31 December 2011 HK$'000	Year ended 31 December 2012 HK$'000	Five months ended 31 May 2012 HK$'000 (unaudited)	Five months ended 31 May 2013 HK$'000
Revenue	19,958	19,110	19,827	7,849	8,696
Profit for the year/period	5,468	5,747	5,245	1,402	1,906
Target Group's share of results of an associate for the year/period	1,115	1,238	995	364	519
Target Group's share of other comprehensive income of an associate for the year/period	–	–	–	–	–

Amount due from an associate

The amount due is unsecured, interest-free and with no fixed terms of repayment.

14. DEBTORS, DEPOSITS AND PREPAYMENTS

	As at 31 December 2010 HK$'000	As at 31 December 2011 HK$'000	As at 31 December 2012 HK$'000	As at 31 May 2013 HK$'000
Trade debtors	16,750	24,347	24,453	22,754
Less: Provision for impairment of trade debtors – Note 14(c)	(137)	(587)	(338)	(338)
	16,613	23,760	24,115	22,416
Other debtors, deposits and prepayments	16,378	8,526	10,485	10,892
	32,991	32,286	34,600	33,308

Notes:

(a) Most of the patients of the medical check centres settle in cash. The Target Group allows an average credit period of 30 to 90 days to its trade customers.

(b) The following is an aged analysis of trade debtors at the end of each of the Relevant Periods:

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 3 months	13,121	19,091	18,457	16,505
Over 3 months	3,492	4,669	5,658	5,911
	16,613	23,760	24,115	22,416

(c) Impairment loss in respect of trade debtors from third parties is recorded using an allowance unless the Target Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors.

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
At the beginning of the year/period	137	137	587	338
Disposals of subsidiaries	–	–	(351)	–
Impairment loss on trade debtors	–	450	102	–
At the end of the year/period	137	587	338	338

15. AMOUNTS DUE FROM/(TO) NON-CONTROLLING INTERESTS

The amounts due are unsecured, interest-free and with no fixed terms of repayment.

16. PLEDGED BANK DEPOSITS

The amount represents deposits pledged to banks to secure bank facilities granted to the Target Group. The deposits have been pledged to secure short-term bank borrowings and are therefore classified as current assets.

The deposits carried interest rate at 2% per annum at 31 December 2010.

17. CREDITORS, ACCRUALS AND OTHER PAYABLES

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Trade creditors	5,193	2,459	2,420	3,370
Accruals and other payables	7,988	6,203	6,968	8,515
	13,181	8,662	9,388	11,885

The following is an aging analysis of trade creditors of the Target Group:

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within 3 months	5,148	2,443	2,381	3,314
Over 3 months	45	16	39	56
	5,193	2,459	2,420	3,370

18. AMOUNT DUE TO A SHAREHOLDER

The amount due is unsecured, interest-free and with no fixed terms of repayment.

19. BANK BORROWINGS

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Bank loan, secured	5,167	4,771	–	–
Carrying amount repayable:				
On demand or within one year	5,167	4,771	–	–

At 31 December 2010 and 2011, the secured bank loan carried interest rate at 2.5% per annum. The loan was secured by a mortgage over the Target Group's leasehold land and buildings with a carrying amount of approximately HK$11,877,000 and HK$11,626,000 (Note 11) respectively.

20. DEFERRED TAXATION

The followings are the major deferred tax balances recognised and movements thereon during the Relevant Periods:

Deferred tax liabilities	**Accelerated tax depreciation** *HK$'000*
At 1 January 2010	9,274
Credited to consolidated statement of comprehensive income	(1,100)
At 31 December 2010 and 1 January 2011	8,174
Credited to consolidated statement of comprehensive income	(1,723)
At 31 December 2011 and 1 January 2012	6,451
Disposal of subsidiaries	(320)
Credited to consolidated statement of comprehensive income	(1,485)
At 31 December 2012 and 1 January 2013	4,646
Credited to consolidated statement of comprehensive income	–
At 31 May 2013	4,646

Deferred tax assets	**Tax losses** *HK$'000*
At 1 January 2010	591
Credited to consolidated statement of comprehensive income	365
At 31 December 2010 and 1 January 2011	956
Credited to consolidated statement of comprehensive income	307
At 31 December 2011 and 1 January 2012	1,263
Charged to consolidated statement of comprehensive income	(52)
At 31 December 2012 and 1 January 2013	1,211
Charged to consolidated statement of comprehensive income	–
At 31 May 2013	1,211

	As at 31 December 2010 *HK$'000*	**As at 31 December 2011** *HK$'000*	**As at 31 December 2012** *HK$'000*	**As at 31 May 2013** *HK$'000*
Deferred tax assets	956	1,263	1,211	1,211
Deferred tax liabilities	(8,174)	(6,451)	(4,646)	(4,646)
	(7,218)	(5,188)	(3,435)	(3,435)

21. SHARE CAPITAL

	As at 31 December 2010 HK$'000	As at 31 December 2011 HK$'000	As at 31 December 2012 HK$'000	As at 31 May 2013 HK$'000
Authorised:				
50,000 ordinary shares of US$1 each, equivalent to	390	390	390	390
Issued and fully paid:				
Ordinary share of US$1 each at the beginning of the year/period	77	83	83	83
Issue of shares *(Note)*	6	–	–	–
Ordinary shares of US$1 each at the end of the year/period	83	83	83	83

Note:

On 23 November 2010, the issued share capital of the Target Company was increased from US$10,000 to US$10,650 by allotting 650 ordinary shares of US$1 each at a cash consideration HK$8,100,000 for the purpose of increasing the working capital of the Target Company. All the shares rank pari passu in all respects with the existing shares of the Target Company.

22. ACQUISITION OF A SUBSIDIARY

For the year ended 31 December 2011

On 24 August 2011, the Target Group acquired 100% of the entire equity interest and the shareholders' loan of Hong Kong Genesis Laboratory Centre Limited at a cash consideration of $650,000.

The fair values of the identifiable assets and liabilities of Hong Kong Genesis Laboratory Centre Limited as at the date of acquisition were as follows:

	Fair value recognised on acquisition HK$'000
Property, plant and equipment	368
Debtors, deposits and prepayments	233
Cash and bank balances	94
Creditors, accruals and other payables	(45)
Total identifiable net assets at fair value and satisfied by cash	650

Acquisition-related costs amounting to $1,305 have been excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of comprehensive income with the line item "Other operating expenses".

An analysis of the cash flows in respect of the acquisition of a subsidiary is as follows:

	HK$'000
Cash consideration paid	(650)
Cash and bank balances acquired	94
	(556)

The Hong Kong Genesis Laboratory Centre Limited did not contribute significantly to the revenue or results of the Target Group for the year ended 31 December 2011.

Had this business combination been effected on 1 January 2011, the revenue of the Target Group for the year ended 31 December 2011 would have been approximately $193,421,000, and the loss for the year ended 31 December 2011 would have been approximately $1,482,000. The directors of the Target Company consider this "pro forma" numbers to represent an approximately measure of the performance of the combined group on an annualised basis and to provide a reference point for comparison in future periods.

23. DISPOSAL OF SUBSIDIARIES

For the five months ended 31 May 2013

(a) Disposal of Union Wise Enterprises Limited

On 31 January 2013, the Target Group disposed of its 62.14% equity interests in Union Wise Enterprises Limited upon dissolved by members' voluntary winding up.

Consideration received

	HK$'000
Final distribution receivable	354

Analysis of asset and liabilities over which control was lost

	HK$'000
Current assets	
Cash and bank balances	2,852
Current liabilities	
Creditors, accruals and other payables	(12)
Amount due to immediate holding company	(1,474)
Amounts due to non-controlling interests	(798)
Net assets disposed of	568

Gain on disposal of a subsidiary

	HK$'000
Final distribution receivable	354
Net assets disposed of	(568)
Non-controlling interests	214
Gain on disposal	–

Net cash outflow on disposal of a subsidiary

	HK$'000
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalent balances disposed of	(2,852)
	(2,852)

For the year ended 31 December 2012

(b) Disposal of Health Walk Limited

On 26 April 2012, the Target Group disposed of 70% equity interests in Health Walk Limited and its subsidiaries at a cash consideration of HK$6,100,000.

Consideration received

	HK$'000
Consideration received in cash and cash equivalents	6,100

Analysis of consolidated assets and liabilities over which control was lost

	HK$'000
Current assets	
Inventories	335
Debtors, deposits and prepayments	2,491
Cash and bank balances	2,954
Non-current assets	
Property, plant and equipment	7,212
Current liabilities	
Creditors, accruals and other payables	(718)
Amounts due to non-controlling interests	(10)
Tax payable	(148)
Non-current liabilities	
Deferred tax liabilities	(320)
Net assets disposed of	11,796

Gain on disposal of a subsidiary

	HK$'000
Consideration received and receivable	6,100
Net assets disposed of	(11,796)
Non-controlling interests	3,619
Cumulative gain reclassified from equity on loss of control of a subsidiary	12,178
Gain on disposal	10,101

Net cash inflow on disposals of subsidiaries

	HK$'000
Consideration received in cash and cash equivalents	6,100
Less: cash and cash equivalent balances disposed of	(2,954)
	3,146

(c) Disposal of Team Profit (China) Limited

On 13 July 2012, the Target Group disposed of its entire equity interest and the shareholders' loan in Team Profit (China) Limited and its wholly owned subsidiary at a cash consideration of HK$3,300,000.

Consideration received

	HK$'000
Consideration received in cash and cash equivalents	3,300

Analysis of consolidated assets and liabilities over which control was lost

	HK$'000
Current assets	
Debtors, deposits and prepayments	1
Cash and bank balances	3,223
Non-current assets	
Property, plant and equipment	59
Current liabilities	
Creditors, accruals and other payables	(2)
Net assets disposed of	3,281

Gain on disposal of a subsidiary

	HK$'000
Consideration received and receivable	3,300
Net assets disposed of	(3,281)
Gain on disposal	19

Net cash inflow on disposal of subsidiaries

	HK$'000
Consideration received in cash and cash equivalents	3,300
Less: cash and cash equivalent balances disposed of	(3,223)
	77

For the year ended 31 December 2011

(d) Disposal of Champion Projects Limited

On 2 May 2011, the Target Group disposed of its 50.77% equity interests in Champion Projects Limited upon dissolved by members' voluntary winding up.

Consideration received

	HK$'000
Final distribution received in cash and cash equivalents	–

Analysis of asset and liabilities over which control was lost

	HK$'000
Current assets	
Amounts due from non-controlling interests	1,144
Amount due from immediate holding company	1,169
Net assets disposed of	2,313

Gain on disposal of a subsidiary

	HK$'000
Final distribution received and receivable	–
Net assets disposed of	(2,313)
Release of amount due from immediate holding company	1,169
Non-controlling interests	1,152
Gain on disposal	8

Net cash inflow on disposal of a subsidiary

	HK$'000
Final distribution received in cash and cash equivalents	–
Less: cash and cash equivalent balances disposed of	–
	–

(e) Disposal of New Union Holdings Limited

On 8 July 2011, the Target Group disposed of its entire equity interests in New Union Holdings Limited upon its deregistration.

Consideration received

	HK$'000
Consideration received in cash and cash equivalents	–

Analysis of asset and liabilities over which control was lost

	HK$'000
Current assets	
Debtors, deposits and prepayments	3
Current liabilities	
Amount due to immediate holding company	(1,073)
Net liabilities disposed of	(1,070)

Loss on disposal of a subsidiary

	HK$'000
Net liabilities disposed of	1,070
Release of amount due to immediate holding company	(1,073)
Loss on disposal	(3)

Net cash inflow on disposal of a subsidiary

	HK$'000
Consideration received in cash and cash equivalent	–
Less: cash and cash equivalent balances disposed of	–
	–

(f) Disposal of Allied Rich Development Limited

On 8 July 2011, the Target Group disposed of its entire equity interests in Allied Rich Development Limited upon its deregistration.

Consideration received

	HK$'000
Consideration received in cash and cash equivalents	–

Analysis of asset and liabilities over which control was lost

	HK$'000
Current assets	
Amount due from immediate holding company	1,042
Net assets disposed of	1,042

Gain on disposal of a subsidiary

	HK$'000
Net assets disposed of	1,042
Release of amount due from immediate holding company	(1,042)
Gain on disposal	–

Net cash inflow on disposal of a subsidiary

	HK$'000
Consideration received in cash and cash equivalents	–
Less: cash and cash equivalent balances disposed of	–
	–

24. OPERATING LEASES COMMITMENTS

At the end of each of the Relevant Periods, the Target Group had outstanding commitments under non-cancellable operating leases for which the aggregate minimum lease payments fall due as follows:

	As at 31 December 2010	**As at 31 December 2011**	**As at 31 December 2012**	**As at 31 May 2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	11,677	8,327	12,303	10,734
In the second to fifth year inclusive	5,784	4,564	10,383	6,334
	17,461	12,891	22,686	17,068

Operating lease payments represent rentals payable by the Target Group for certain of its office premises. Leases are negotiated and rentals are fixed for terms for 1 to 3 years.

25. RELATED PARTY TRANSACTIONS

(a) Save as disclosed elsewhere in the Financial Information, the Target Group entered into the following significant related party transactions during the Relevant Periods:

	Note	Year ended 31 December 2010 HK$'000	Year ended 31 December 2011 HK$'000	Year ended 31 December 2012 HK$'000	Five months ended 31 May 2012 HK$'000 (unaudited)	Five months ended 31 May 2013 HK$'000
Rental fee paid to shareholders or their group companies	*(i)*	2,725	4,921	5,390	1,750	2,087
Reporting fee paid to a shareholder or its group companies	*(i)*	–	2,534	2,338	953	810
Medical expenses paid to a shareholder or its group companies	*(i)*	80	233	239	111	87

Note:

(i) These transactions were entered into between the contracting parties at the terms mutually agreed.

(b) A shareholder of the Target Company had provided corporate guarantees to the extent of HK$45,000,000, HK$45,000,000, HK$45,000,000 for the years ended 31 December 2010, 2011 and 2012 respectively to secure the banking facilities granted to the Target Group.

(c) Key management compensation

The directors of the Target Company consider that they are the only key management personnel of the Target Group and details of their compensation have been set out in Note 10 to the Financial Information.

26. CAPITAL MANAGEMENT

The Target Group's equity capital management objectives are to safeguard the Target Group's ability to continue as a going concern and to provide an adequate return to shareholders commensurately with the level of risk. To meet these objectives, the Target Group manages the equity capital structure and makes adjustments to it in the light of changes in economic conditions by paying dividends to shareholders, issuing new equity shares, and raising or repaying debts as appropriate.

The Target Group's equity capital management strategy, which was unchanged from the previous periods, was to maintain a reasonable proportion in total debt and equity capital. The Target Group monitors equity capital on the basis of the debt-to-equity capital ratio, which is calculated as net debt over equity capital. Net debt is calculated as total debt less cash and cash equivalents. Equity capital comprises all components of equity (i.e. share capital, accumulated losses and reserves). The debt-to-equity capital ratios at the end of each of the Relevant Periods were as follows:

	As at 31 December 2010	**As at 31 December 2011**	**As at 31 December 2012**	**As at 31 May 2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Total debts	143,388	119,032	77,207	78,906
Less: Cash and cash equivalents	(39,154)	(26,669)	(15,066)	(21,604)
Net debts	104,234	92,363	62,141	57,302
Total Equity *(Note i)*	43,372	40,682	50,007	47,607
Net debt-to-equity ratio	240%	227%	124%	120%

Note:

(i) Equity includes all capital and reserves attributable to owners of the Target Company.

27. NATURE AND EXTENT OF FINANCIAL INSTRUMENTS RISKS

(a) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Target Group currently does not have a formal foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

At the end of each of the Relevant Periods, the Target Group has no significant concentration of credit risk. The carrying amount of the respective recognised financial assets included in the consolidated statements of financial position represent the Target Group's maximum exposure to credit risk in relation to its financial assets.

In order to minimise the credit risk, the management of the Target Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow up action is taken to recover overdue debts. In addition, the Target Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Target Company consider that the Target Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies. The Target Group has no significant concentration of credit risk by customers, with exposure spread over a number of counterparties and customers.

(c) Liquidity risk

Liquidity risk is the risk that the Target Group will encounter difficulty in meeting obligations associated with financial liabilities and capital management. The Target Group manages liquidity risk by monitoring its liquidity position through periodic preparation of cash flows and cash balances forecasts and periodic evaluation of the ability of the Target Group to meet its financial obligations, measured by the debt-to-equity capital ratio.

Maturities of the non-derivative financial liabilities of the Target Group at the end of each of the Relevant Periods were as follows:

	As at 31 December 2010 *HK$'000*	**As at 31 December 2011** *HK$'000*	**As at 31 December 2012** *HK$'000*	**As at 31 May 2013** *HK$'000*
Total amounts of contractual undiscounted obligations:				
Creditors, accruals and other payables	13,181	8,662	9,388	11,885
Amount due to a shareholder	123,548	104,138	67,021	67,021
Amounts due to non-controlling interests	1,492	1,461	798	–
Bank borrowings *(note)*	5,167	4,771	–	–
	143,388	119,032	77,207	78,906
Due for payment:				
Within one year or on demand	143,388	119,032	77,207	78,906
In the second to fifth year	–	–	–	–
	143,388	119,032	77,207	78,906

Note:

Bank loans with a repayment on demand clause are included in the "on demand or less than 1 year" time band in the above maturity analysis. At 31 December 2010 and 2011, the aggregate undiscounted principal amounts of these bank loans amounted to approximately HK$5,167,000 and HK$4,771,000 respectively. Taking into account the Target Group's financial position, the directors do not consider that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans would be repaid 12 and 11 years respectively after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to approximately HK$5,901,000 and HK$5,424,000.

(d) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Target Group currently does not have a formal foreign currency hedging policy. However, the management monitors foreign exchange exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(e) Fair value estimation

Financial instruments carried at fair value

For financial instruments carried at fair value, the amendments to HKFRS 7 "Financial Instruments: Disclosures", require disclosures relating to fair value measurements of financial instruments across three levels of a "fair value hierarchy". The fair value of each financial instrument is categorised in its entirety based on the lowest level of input that is significant to that fair value measurement. The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair value measured using quoted prices in active markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

During the Relevant Periods, the Target Group did not have any financial instruments measured at fair value.

28. SEGMENT INFORMATION

The directors of the Target Company reviews the Target Group's internal financial reporting and other information and also obtains other relevant external information in order to assess performance and allocate resources and operating segment is identified with reference to these.

The directors of the Target Company consider that business of the Target Group is organised in one operating segment – health check segment. Additional disclosure in relation to segment information is not presented as the directors of the Target Company assesses the performance of the only operating segment identified based on the consistent information as disclosed in the Financial Information.

The total net segment income is equivalent to total comprehensive income for the Relevant Periods as shown in the consolidated statements of comprehensive income and the total segment assets and segment liabilities are equivalent to total assets and total liabilities as shown in the consolidated statements of financial position.

Detail of depreciation in relation to the operating segment is disclosed in Note 11.

The Target Company is domiciled in the British Virgin Islands with the Target Group's major operations in the Hong Kong. Total revenue as disclosed in Note 4 above represented the revenue from external customers arising from provision of health check and health care related services in Hong Kong. Substantially all the assets of the Target Group are located in the Hong Kong.

29. CAPITAL COMMITMENTS

At the end of each of the Relevant Periods, the Target Group had the following material capital commitments:

	As at 31 December 2010	As at 31 December 2011	As at 31 December 2012	As at 31 May 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Capital expenditure contracted for but not provided in the Financial Information in respect of acquisition of property, plant and equipment	–	140	1,290	2,156

30. CONTINGENT LIABILITIES

At the end of each of the Relevant Periods, the Target Group had no material contingent liabilities.

III. SUBSEQUENT EVENTS

Save as disclosed elsewhere in the Financial Information, no significant event took place subsequent to 31 May 2013.

IV. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of any of the companies comprising the Target Group have been prepared in respect of any period subsequent to 31 May 2013.

Yours faithfully,
HLB Hodgson Impey Cheng Limited
Certified Public Accountants
Kwok Kin Leung
Practising Certificate Number: P05769
Hong Kong

The following is the text of the unaudited pro forma financial information of the Enlarged Group prepared for the sole purpose of inclusion in this circular, received from the reporting accountants, PKF, Certified Public Accountants.

大信梁學濂(香港)會計師事務所

PKF
Accountants & business advisers

26/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

24 August 2013

The Directors
Computech Holdings Limited

Dear Sirs,

We report on the unaudited pro forma statement of financial position, statement of comprehensive income and statement of cash flows of Computech Holdings Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") and Luck Key Investment Limited (the "**Target Company**") and its subsidiaries (hereinafter collectively referred to as the "**Target Group**") (together with the Group hereinafter referred to as the "**Enlarged Group**") (the "**Unaudited Pro Forma Financial Information**") which have been prepared by the directors of the Company for illustrative purpose only, to provide information about how the acquisition of the entire issued share capital of the Target Company and the shareholder's loan of the Target Company (the "**Acquisition**") might have affected the financial information presented, for inclusion as Appendix III to the circular of the Company dated 24 August 2013 (the "**Circular**"). The basis of preparation of the Unaudited Pro Forma Financial Information of the Enlarged Group is set out in pages III-4 to III-5 of the Circular.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND REPORTING ACCOUNTANTS

It is the sole responsibility of the directors of the Company to prepare the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**").

It is our responsibility to form an opinion, as required by paragraph 7.31(7) of the GEM 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.

BASIS OF OPINION

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the HKICPA. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the Unaudited Pro Forma Financial Information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Our work did not constitute an audit nor review made in accordance with Hong Kong Standards on Auditing or Hong Kong Standards on Review Engagements issued by the HKICPA, and accordingly, we do not express any such audit or review assurance on the Unaudited Pro Forma Financial Information.

The Unaudited Pro Forma Financial Information is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:

(a) the financial position of the Enlarged Group as at 31 May 2013 or any future date; or

(b) the financial results and cash flows of the Enlarged Group for the year ended 31 December 2012 or any future periods.

OPINION

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled by the directors of the Company on the basis stated;

(b) such basis is consistent with the principal 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 7.31(1) of the GEM Listing Rules.

Yours faithfully,
PKF
Certified Public Accountants
Hong Kong

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. INTRODUCTION

The accompanying unaudited pro forma financial information of the Enlarged Group, comprising the unaudited pro forma consolidated comprehensive income, unaudited pro forma consolidated statement of financial position and unaudited pro forma consolidated statement of cash flows of the Enlarged Group, has been prepared by the directors of the Company in accordance with Rule 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**") for illustrative purpose only, to provide information about how the acquisition might have affected the financial position, results of operations and cash flows of the Group as if the Acquisition had been completed on (i) 31 May 2013 in respect of the unaudited pro forma consolidated statement of financial position of the Enlarged Group; and (ii) 1 January 2012 in respect of the unaudited pro forma consolidated statement of comprehensive income and cash flows of the Enlarged Group.

The unaudited pro forma consolidated statement of financial position of the Enlarged Group is based upon (i) the audited consolidated statement of financial position of the Group as at 31 December 2012, as extracted from the annual report of the Company for the year ended 31 December 2012; and (ii) the audited consolidated statement of financial position of the Target Group as at 31 May 2013, as extracted from the Accountants' Report thereon set out in Appendix II of this Circular after making appropriate pro forma adjustments that are considered necessary as described in the accompanying notes.

The unaudited pro forma consolidated statement of comprehensive income and statement of cash flows of the Enlarged Group are prepared based upon (i) the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2012 extracted from the Company's annual report for the year ended 31 December 2012; and (ii) the audited consolidated statement of comprehensive income and the audited consolidated statement of cash flows of the Target Group for the year ended 31 December 2012, as extracted from the Accountants' Report thereon set out in Appendix II to this Circular after making appropriate pro forma adjustments that are considered necessary as described in the accompanying notes.

The unaudited pro forma financial information of the Enlarged Group is based on a number of assumptions, estimates and uncertainties. As a result of these assumptions, estimates and uncertainties, the unaudited pro forma financial information of the Enlarged Group does not purport to describe the true picture of the financial position, results of operations and cash flows of the Enlarged Group that would have been attained had the Acquisition been completed as at the specified dates. Further, the unaudited pro forma financial information of the Enlarged Group does not purport to predict the future financial position, results of operations and cash flows of the Enlarged Group.

The unaudited pro form financial information of the Enlarged Group should be read in conjunction with the historical financial information of the Group, the Accountants' Reports on Target Group as set out in Appendix II to this Circular and other financial information included elsewhere in this Circular.

(B) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME OF THE ENLARGED GROUP

	The Group for the year ended 31 December 2012	Luck Key Group for the year ended 31 December 2012	Sub-total	Pro forma adjustment	The Enlarged Group
				Note 2	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	106,604	185,666	292,270		292,270
Cost of inventories sold/services	(99,631)	(29,887)	(129,518)		(129,518)
Direct expenses arising from money lending business	(1,094)	–	(1,094)		(1,094)
Other revenue	7	8	15		15
Other income	208	13,925	14,133		14,133
Selling and distribution expenses	(29)	–	(29)		(29)
Administrative expenses	(24,468)	(160,111)	(184,579)	(2,080)	(186,659)
Gain on disposal of subsidiaries	–	10,120	10,120		10,120
Share of results of associates	–	995	995		995
Operating (loss)/profit	(18,403)	20,716	2,313		233
Finance costs	(2,673)	(230)	(2,903)		(2,903)
(Loss)/profit before income tax	(21,076)	20,486	(590)		(2,670)
Income tax credit	–	1,173	1,173		1,173
(Loss)/profit for the year	(21,076)	21,659	583		(1,497)
Other comprehensive income	–	–	–		–
Total comprehensive (loss)/income for the year	(21,076)	21,659	583		(1,497)

(C) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF FINANCIAL POSITION OF THE ENLARGED GROUP

	The Group as at 31 December 2012	Luck Key Group as at 31 May 2013	Sub-total	Pro forma adjustments Note 1	Pro forma adjustments Note 2	The Enlarged Group
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
NON-CURRENT ASSETS						
Property, plant and equipment	5,899	73,281	79,180			79,180
Goodwill	97	–	97			97
Investment in fish breeding business	15,500	–	15,500			15,500
Interest in an associate	–	1,281	1,281			1,281
Loan receivables	4,816	–	4,816			4,816
	26,312	74,562	100,874			100,874
CURRENT ASSETS						
Inventories	–	2,197	2,197			2,197
Debtors, deposits and prepayments	19,501	33,308	52,809			52,809
Financial assets at fair value through profit or loss	6,744	–	6,744			6,744
Loan receivables	30,363	–	30,363			30,363
Cash and bank balances	77,156	21,604	98,760	(85,000)	(2,080)	11,680
	133,764	57,109	190,873			103,793
CURRENT LIABILITIES						
Creditors, accruals and other payables	6,951	11,885	18,836			18,836
Amount due to a shareholder	–	67,021	67,021	(67,021)		–
Tax payable	–	73	73			73
	6,951	78,979	85,930			18,909
NET CURRENT ASSETS/(LIABILITIES)	126,813	(21,870)	104,943			84,884

	The Group as at 31 December 2012	Luck Key Group as at 31 May 2013	Sub-total	Pro forma adjustments		The Enlarged Group
				Note 1	Note 2	
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES	153,125	52,692	205,817			185,758
NON-CURRENT LIABILITIES						
Convertible notes	39,587	–	39,587			39,587
Deferred tax liabilities	–	3,435	3,435			3,435
	39,587	3,435	43,022			43,022
NET ASSETS	113,538	49,257	162,795			142,736
SHARE CAPITAL	55,770	83	55,853	(83)		55,770
RESERVES						
Share premium	110,004	151,058	261,062	(151,058)		110,004
Convertible notes reserve	13,809	–	13,809			13,809
Accumulated losses	(66,045)	(103,534)	(169,579)	134,812	(2,080)	(36,847)
	57,768	47,524	105,292			86,966
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY	113,538	47,607	161,145			142,736
Non-controlling interests	–	1,650	1,650	(1,650)		–
TOTAL EQUITY	113,538	49,257	162,795			142,736

(D) UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS OF THE ENLARGED GROUP

	The Group for the year ended 31 December 2012	Luck Key Group for the year ended 31 December 2012	Sub-total	Pro forma adjustments		The Enlarged Group
				Note 2	*Note 3*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
CASH FLOWS FROM OPERATING ACTIVITIES						
(Loss)/profit before income tax	(21,076)	20,486	(590)	(2,080)		(2,670)
Adjustments for:						
Interest income	(7)	(8)	(15)			(15)
Interest expenses	3,396	230	3,626			3,626
Depreciation	351	25,450	25,801			25,801
Share of results of an associate	–	(995)	(995)			(995)
Share-based payments	534	–	534			534
Unrealised loss on financial assets at fair value through profit or loss	940	–	940			940
Impairment loss on trade debtors	29	102	131			131
Impairment loss on goodwill	3,498	–	3,498			3,498
Loss/(gain) on disposal of property, plant and equipment	33	(12,890)	(12,857)			(12,857)
Gain on disposal of subsidiaries	(186)	(10,120)	(10,306)			(10,306)
Operating (loss)/profit before working capital changes	(12,488)	22,255	9,767			7,687
Decrease/(increase) in inventories	68	(1,281)	(1,213)			(1,213)
Increase in debtors, deposits and prepayments	(17,217)	(4,908)	(22,125)			(22,125)
Increase in loan receivables	(24,785)	–	(24,785)			(24,785)
Increase in creditors, accruals and other payables	1,047	1,446	2,493			2,493
Decrease in amounts due to non-controlling interests	–	(653)	(653)			(653)
Cash (used in)/generated from operations	(53,375)	16,859	(36,516)			(38,596)
Interest received	7	8	15			15
Income tax paid	–	(27)	(27)			(27)
NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES	(53,368)	16,840	(36,528)			(38,608)
CASH FLOWS FROM INVESTING ACTIVITIES						
Payments to acquire property, plant and equipment	(2)	(28,151)	(28,153)			(28,153)
Proceeds from disposal of property, plant and equipment	–	37,563	37,563			37,563
Dividends received from an associate	–	1,040	1,040			1,040
Net cash outflow arising on acquisition of a subsidiary	(3,498)	–	(3,498)			(3,498)
Investment in fish breeding business	(15,500)	–	(15,500)			(15,500)
Purchases of financial assets at fair value through profit or loss	(7,684)	–	(7,684)			(7,684)
Net cash (outflow)/inflow arising on disposal of subsidiaries	(33)	3,223	3,190			3,190

	The Group for the year ended 31 December 2012	Luck Key Group for the year ended 31 December 2012	Sub-total	Pro forma adjustments		The Enlarged Group
				Note 2	*Note 3*	
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(26,717)	13,675	(13,042)			(13,042)
CASH FLOWS FROM FINANCING ACTIVITIES						
Issue of convertible notes	50,000	–	50,000			50,000
Issue of shares through placing	15,120	–	15,120			15,120
Issue of shares through open offer	83,655	–	83,655			83,655
Share issuing expenses	(3,323)	–	(3,323)			(3,323)
Interest paid	–	(230)	(230)			(230)
Repayment to a shareholder		(37,117)	(37,117)			(37,117)
Repayment of bank borrowings	–	(4,771)	(4,771)			(4,771)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	145,452	(42,118)	103,334			103,334
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	65,367	(11,603)	53,764			51,684
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	11,789	26,669	38,458		(85,000)	(46,542)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	77,156	15,066	92,222			5,142

(E) NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

1. Pursuant to the Sale and Purchase Agreement, the Group will pay HK$85,000,000 as the Consideration for the Acquisition.

The following pro forma adjustments are to reflect the effect of the Acquisition on the unaudited pro forma consolidated statement of financial position of the Enlarged Group as if the Acquisition had been completed on 31 May 2013. The effect includes recognition of i) estimated gain on bargain purchase and ii) acquisition of Shareholder's Loan.

	HK$'000
Consideration	85,000
Less: Consideration for Shareholder's Loan	67,021
The consideration for acquisition of the Sale Share	17,979
Carrying amount of net identifiable assets of the Target Group as at 31 May 2013	49,257
Estimated gain on bargain purchase	31,278

The acquisition of 100% interest in the Target Group was assumed to be completed on 31 May 2013, the Group recognised a gain on bargain purchase of approximately HK$31,278,000. Since the fair values of the identifiable assets and liabilities of the Target Group at the date of completion may be different from their carrying amounts as at 31 May 2013, the actual gain on bargain purchase arising from the acquisition of Sale Share may be different from that presented above.

2. The adjustment reflects the estimated acquisition related costs of approximately HK$2,080,000 expensed in profit or loss and paid in the period incurred.

3. The adjustment reflects the cash flow effect arising from the Acquisition as if the Acquisition had been completed at the commencement of the period reported on.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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

(a) Directors' interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions, if any, which they were deemed or taken to have under such provisions of the SFO, (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares of the Company

Name of Director	Nature of interest	Total	Approximate percentage or attributable percentage of shareholdings *(%)*
Yang Yue Zhou	Beneficial owner	107,381,260	19.25

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company had any interests and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, including interests and short positions which they were deemed or taken to have under such provisions of the SFO, (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by Directors to be notified to the Company and the Stock Exchange.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders

As at the Latest Practicable Date, so far as was known to any Directors, persons who have an interest or a short position in the shares, underlying shares or debentures of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO or be interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company pursuant to section 336 of the SFO were as follows:

Long positions in shares and underlying shares of the Company

Name of shareholders	Capacity	Number of shares held	Number of underlying shares held	Total	Approximate % to the issued share capital
Yang Yue Zhou	Beneficial owner	107,381,260	–	107,381,260	19.25%
Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited)	Beneficial owner	–	263,157,894 *(Note)*	263,157,894	47.19%

Note: These underlying shares represent the new Shares to be issued upon conversion of the Convertible Notes by the First Vendor in the principal amount of HK$50,000,000 at the adjusted conversion price of HK$0.19 per Share (subject to further adjustment).

Save as disclosed above, as at the Latest Practicable Date, so far as was known to any Director of the Company, no other persons had an interest or a short position in the shares, underlying shares or debenture of the Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and section 336 of the SFO or, who were interested in, directly or indirectly, 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

3. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective associates had any business which competes or is likely to compete, either directly or indirectly, with the business of the Enlarged Group.

4. DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT

As at the Latest Practicable Date, none of the Directors is materially interested in contract or arrangement subsisting which is significant in relation to the business of the Enlarged Group, nor has any Director had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

5. 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, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Enlarged Group.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Enlarged Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

7. MATERIAL CONTRACTS

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

(a) the sale and purchase agreement dated 12 September 2011 and entered into among Computech Online Limited, Checkmate Advisors Limited and Mr. Chui Bing Sun in relation to the acquisition of the entire issued share capital of Checkmate Finance Limited at the total consideration of HK$4,200,000;

(b) the underwriting agreement (the "**2011 Underwriting Agreement**") dated 27 September 2011 entered into between the Company and the underwriters in relation to a proposed open offer which was subsequently terminated on 25 October 2011;

(c) the deed of termination in relation to the 2011 Underwriting Agreement date 25 October 2011 entered into between the Company and the underwriters in relation to a proposed open offer, details of which were disclosed in the announcement of the Company dated 25 October 2011;

(d) the placing agreement dated 5 December 2011 and entered into between the Company and Pacific Foundation Securities Limited in respect of the placing of the Convertible Notes in the principal amount of HK$50,000,000 at the Initial Conversion Price of HK$0.05 per conversion share (subject to adjustment);

(e) the investment agreement dated 25 April 2012 and entered into between Successful Treasure Investments Limited and Enrich Marine Sdn. Bhd in relation to the investment in the fish breeding business at an aggregate investment amount of HK$15,500,000;

(f) the placing agreement dated 30 April 2012 and entered into between the Company and Kingston Securities Limited in relation to the placing of a maximum of 180,000,000 new Shares at HK$0.084 per Share, the gross proceeds of which amounted to up to HK$15,120,000;

(g) the underwriting agreement dated 22 August 2012 and entered into between the Company and Kingston Securities Limited in relation to the issue of 418,274,796 Shares by the Company under the Open Offer, the gross proceeds of which amounted to approximately HK$80.5 million. Further details of which are set out in the announcement, the circular and the prospectus of the Company dated 22 August 2012, 12 October 2012 and 12 November 2012 respectively;

(h) the sale and purchase agreement dated 22 March 2013 and entered into between the Purchaser and Plenty Cash Investment Limited in relation to the acquisition of the entire issued share capital of Funa Assets Limited at a total consideration of HK$40,000,000;

(i) the Sale and Purchase Agreement; and

(j) the deed of novation dated 17 July 2013 in relation to novate its rights and obligations in and the fish breeding business in Sabah, Malaysia.

8. EXPERTS' CONSENTS AND QUALIFICATION

The following are the qualification of the experts who have given opinions or advice which are contained in this circular:

Name	Qualifications
HLB Hodgson Impey Cheng Limited	Certified Public Accountants, being the reporting accountant for the financial information of the Target Group
PKF	Certified Public Accountants, being the reporting accountant for the unaudited pro forma financial information of the Enlarged Group

Each of HLB Hodgson Impey Cheng Limited and PKF has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of HLB Hodgson Impey Cheng Limited and PKF was not beneficially interested in the share capital of any member of the Enlarged Group nor did it have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Enlarged Group or has had any interest, directly or indirectly, in any assets which have been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Enlarged Group since 31 December 2012, the date to which the latest published audited consolidated financial statements of the Group were made up.

9. MATERIAL ADVERSE CHANGE

Save as disclosed herein, the Directors are not aware of any material adverse change in the financial or trading position of the Enlarged Group since 31 December 2012, being the date to which the latest published audited financial statements of the Group were made up.

10. GENERAL

(a) The registered office of the Company is at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

(b) The principal place of business of the Company in Hong Kong is at Unit 1604, 16/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong.

(c) The branch share registrar and transfer office of the Company in Hong Kong is Hong Kong Registrars Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

(d) The company secretary of the Company is Mr. Lam Wing Tai who is an associate member of the Hong Kong Institute of Certified Public Accountants and a member of CPA Australia.

(e) The registered address of the auditor, PKF is 26/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong.

(f) The English text of this circular shall prevail over the Chinese text in the case of inconsistency.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours on Business Days at the office of the Company at Unit 1604, 16/F, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong from the date of this circular up to and including Monday, 9 September 2013 and at the EGM:

(a) the memorandum and articles of association of the Company;

(b) the letter from the Board, the text of which is set out in this circular;

(c) the annual reports of the Company for each of the two financial years ended 31 December 2011 and 31 December 2012;

(d) the accountants' report on the Target Group prepared by HLB Hodgson Impey Cheng Limited, the text of which is set out in Appendix II to this circular;

(e) the accountants' report from PKF in respect of the unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular;

(f) the written consents of the experts referred to in the paragraph headed "Experts' consents and qualification" in this Appendix;

(g) each of the material contracts entered into by the Group as referred to in the paragraph headed "Material contracts" in this Appendix; and

(h) a copy of each circular of the Company issued pursuant to the requirements set out in Chapters 19 and/or 20 of the GEM Listing Rules since 31 December 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

COMPUTECH HOLDINGS LIMITED
駿科網絡訊息有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8081)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of the shareholders of Computech Holdings Limited (the "**Company**") will be held at 3/F, Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 10 September 2013 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

1. "**THAT**

(a) the conditional sale and purchase agreement (the "**Sale and Purchase Agreement**") dated 16 April 2013 (as amended by an addendum dated 19 July 2013) and entered into among Absolutely Talent Technology Limited, a wholly-owned subsidiary of the Company, Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited), Town Health (BVI) Limited and Dr. Fung Yiu Tong, Bennet, as vendors in relation to the sale and purchase of (i) the entire share capital of Luck Key Investment Limited, and (ii) all indebtedness, obligations and liabilities due, owing or incurred by, Luck Key Investment Limited to Jun Yang Solar Power Investments Limited (formerly known as China Gogreen Assets Investment Limited) (a copy of which is marked "A" and produced to the EGM and signed by the chairman of the EGM for identification purpose) be and is hereby ratified, confirmed and approved; and

(b) any one or more of the directors (the "**Directors**") of the Company be and is/are hereby authorised to do all such acts and things and execute all such documents for the purpose of, or in connection with, the implementation of and giving effect to the Sale and Purchase Agreement and the transactions ancillary thereto and of administrative nature which he/she/they consider necessary, desirable or expedient."

By order of the Board
Computech Holdings Limited
Yang Yue Zhou
Chairman

Hong Kong, 24 August 2013

* *For identification purpose only*

Registered office:
Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 1604, 16/F
West Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Notes:

1. All resolutions at the EGM will be taken by poll pursuant to the GEM Listing Rules and the results of the poll will be published on the websites of GEM and the Company in accordance with the GEM Listing Rules.

2. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the EGM. A proxy need not be a member of the Company. On a poll, votes may be given either personally or by proxy.

3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or, if the appointer is a corporation, either under its seal or under the hand of an officer, attorney or other person authorised to sign the same.

4. To be valid, the instrument appointing a proxy and (if required by the Board) the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, shall be delivered to the office of the Hong Kong branch share registrar and transfer office of the Company, Hong Kong Registrars Limited, at Rooms 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.

5. No instrument appointing a proxy shall be valid after expiration of 12 months from the date named in it as the date of its execution, except at an adjourned meeting or on a poll demanded at the EGM or any adjournment thereof in cases where the EGM was originally held within 12 months from such date.

6. Where there are joint holders of any shares, any one of such joint holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint holders be present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members of the Company in respect of the joint holding.

7. Completion and delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the EGM if the member so wish and in such event, the instrument appointing a proxy should be deemed to be revoked.

8. Pursuant to the GEM Listing Rules, the voting on the ordinary resolutions at the EGM will be conducted by way of poll.