
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your securities in Huge China Holdings Limited 匯嘉中國控股有限公司 (“Company”), you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

A copy of each of the Prospectus Documents, and the document specified in the paragraph headed “EXPERT AND CONSENT” in Appendix III to this Prospectus have been registered by the Registrar of Companies in Hong Kong as required under Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance. The Registrar of Companies in Hong Kong and the SFC take no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS operated by HKSCC and you should consult your licensed securities dealer, registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of any of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of the Prospectus Documents.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any securities (including the Shares and the Rights Shares (in their nil-paid or fully-paid forms) or to take up any entitlements to the Rights Shares (in their nil-paid or fully-paid forms) in any jurisdiction in which such an offer, solicitation or sale is unlawful. Neither this Prospectus nor anything in this Prospectus forms the basis of any contract or commitment whatsoever.

The securities described in this Prospectus have not been registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”) or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described in this Prospectus in the United States or to conduct a public offering of securities in the United States.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons into whose possession this Prospectus comes should inform themselves of and observe any such restrictions. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States. The provision of this Prospectus to Shareholders in the United States and any other jurisdiction where distribution is restricted is for information purposes only and shall not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Rights Shares or to take up any entitlements to the Rights Shares in the United States or any other jurisdiction in which such an offer or solicitation is unlawful.

Huge China Holdings Limited

匯嘉中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 428)

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE AT THE SUBSCRIPTION PRICE OF HK\$2.00 PER RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD ON THE RECORD DATE

Financial adviser to the Company

Ample Capital Limited

AmCap

Ample Capital Limited

豐盛融資有限公司

Underwriter of the Rights Issue



Capitalised terms used in this cover page shall have the same meanings as defined in this Prospectus.

The latest time for acceptance and payment for the Rights Shares is 4:00 p.m. (Hong Kong time) on Monday, 11 July 2016. The procedures for acceptance of the Rights Shares are set out on pages 14 to 15 of this Prospectus.

The Rights Issue is conditional upon the fulfillment of the conditions as set out in the section headed “Conditions of the Rights Issue” of the “Letter from the Board” in this Prospectus.

The Shares have been dealt in on an ex-rights basis from Tuesday, 14 June 2016. Dealings in the Rights Shares in their nil-paid form will take place from 9:00 a.m. on Tuesday, 28 June 2016 to 4:00 p.m. on Wednesday, 6 July 2016 (both dates inclusive). It is expected that the conditions referred to in the section headed “Termination of the Underwriting Agreement” in this Prospectus are to be fulfilled on or before 4:00 p.m. on Tuesday, 12 July 2016. If the conditions referred to in that section are not fulfilled, the Underwriting Agreement shall terminate and the Rights Issue will not proceed. Any person contemplating buying or selling Shares from the date of this Prospectus and up to the date on which all the conditions of the Right Issue are fulfilled, and any dealings in the Rights Shares in their nil-paid form from 9:00 a.m. on Tuesday, 28 June 2016 to 4:00 p.m. on Wednesday, 6 July 2016 (both dates inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her own professional adviser.

It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to the Company at any time prior to 4:00 p.m. on the date of the Latest Time for Termination to terminate its obligations under the Underwriting Agreement on the occurrence of certain events including force majeure. These events are set out under the section headed “Termination of the Underwriting Agreement” on page 8 of this Prospectus.

Upon the delivery of the notice of termination, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and neither party shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement, save in respect of any antecedent breaches and claims. If the Underwriter exercises such right, the Rights Issue will not proceed.

24 June 2016

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue set out below is indicative only:

Event	2016 (Hong Kong time)
First day of dealings in nil-paid Rights Shares	9:00 a.m. on Tuesday, 28 June
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Thursday, 30 June
Last day of dealings in nil-paid Rights Shares	4:00 p.m. on Wednesday, 6 July
Latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Monday, 11 July
Latest Time for Termination and Underwriting Agreement becoming unconditional	4:00 p.m. on Tuesday, 12 July
Announcement of results of allotment of the Rights Issue	Monday, 18 July
Despatch of certificates for fully-paid Rights Shares and refund cheques (if any)	on or before Tuesday, 19 July
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 20 July

All times and dates stated in this Prospectus refer to Hong Kong local times and dates, unless otherwise stated. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by agreement between the Company and the Underwriter. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

EFFECT ON BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS SHARES

The Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Monday, 11 July 2016 if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning, if such circumstances are:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. The Latest Time for Acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on the date of the Latest Time for Acceptance, but will be extended to 5:00 p.m. on the same Business Day instead; or

EXPECTED TIMETABLE

- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. The Latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place on the date of the Latest Time for Acceptance, but will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m..

If the Latest Time for Acceptance and application and payment for excess Rights Shares does not take place at 4:00 p.m. on Monday, 11 July 2016, the dates mentioned this section may be affected. An announcement will be made by the Company in such event as soon as practicable.

DEFINITIONS

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

“Announcements”	the announcements of the Company dated 21 April 2016, 3 May 2016, 11 May 2016 and 17 May 2016 in relation to the Rights Issue of the Company
“Assets”	all the assets of any description of the Company wherever and howsoever located
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 17 May 2016 in relation to, among other things, the Rights Issue, the Underwriting Agreement, and a notice convening the EGM
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) (as amended from time to time)
“Company”	Huge China Holdings Limited (匯嘉中國控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Conversion Price”	HK\$12.50 per Conversion Share, subject to adjustments as set out and in accordance with terms and conditions of the Convertible Bonds
“Conversion Shares”	the Shares to be issued upon exercise of the conversion rights attaching to the Convertible Bonds

DEFINITIONS

“Convertible Bonds”	the convertible bonds issued by the Company in the aggregate principal amount of HK\$17,500,000 which entitle the holders to convert up to a maximum of 1,400,000 Shares at the Conversion Price of HK\$12.50 per Share, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds
“Director(s)”	the director(s) of the Company
“EAF”	the application form(s) for excess Rights Shares proposed to be issued to the Qualifying Shareholders
“EGM”	the extraordinary general meeting of the Company held on Friday, 10 June 2016 at which the Rights Issue was approved by the Independent shareholders
“Excluded Shareholder(s)”	the Overseas Shareholder(s) whose registered address(es) in the Company’s register of members as at the Record Date is/are in a place(s) outside Hong Kong where, the Directors, based on legal opinions provided by legal advisers of the Company, consider it necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place not to offer the Rights Shares to such Overseas Shareholders
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 26 June 2015 to allot, issue and deal with up to 7,811,722 Shares, being approximately 20% of the issued share capital of the Company as at the date of the said annual general meeting
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	comprising all independent non-executive Directors established to advise the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser” or “Hercules Capital”	Hercules Capital Limited, a corporation licensed under the SFO to conduct Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Rights Issue

DEFINITIONS

“Independent Shareholder(s)”	the Shareholder(s) other than the controlling Shareholder(s) (as defined in the Listing Rules) of the Company and their respective associates or, where there are no controlling Shareholder(s), the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	any party(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, are third parties not connected with or acting in concert with any Directors, chief executive or Substantial Shareholder(s) of the Company or any of its subsidiaries or their respective associates
“Investment Manager” or “Tiger Securities”	Tiger Securities Asset Management Company Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation registered under the SFO to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, the investment manager appointed by the Company
“Last Trading Day”	Thursday, 21 April 2016, being the last trading day for the Shares immediately prior to the release of the announcement of the Company dated 21 April 2016 in relation to the Rights Issue
“Latest Practicable Date”	Tuesday, 21 June 2016, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information herein
“Latest Time for Acceptance”	the latest time for acceptance for the Rights Shares at 4:00 p.m. on Monday, 11 July 2016 or such other time or date as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m. on Tuesday, 12 July 2016, being the next Business Day following the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC

DEFINITIONS

“Net Asset Value”	the net asset value of the Company calculated in accordance with the articles of association of the Company
“New Investment Management Agreement”	the investment management agreement dated 29 February 2016 entered into between the Company and Tiger Securities in relation to the appointment of Tiger Securities as the Investment Manager of the Company
“Overseas Shareholder(s)”	the Shareholder(s) whose name appear on the register of members of the Company on the Record Date and with registered address(es) as shown on such register in a place outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) representing the Rights Shares proposed to be issued to the Qualifying Shareholders under the Rights Issue
“Posting Date”	Friday, 24 June 2016 or such other date as the Underwriter may agree in writing with the Company as the date of despatch of the Prospectus Documents
“PRC” or “China”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus containing details of the Rights Issue to be despatched to the Shareholders
“Prospectus Documents”	the Prospectus, the PAL(s) and the EAF(s)
“Qualifying Shareholder(s)”	the Shareholder(s) whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Wednesday, 22 June 2016, being the date by reference to which entitlements to the Rights Issue are to be determined
“Registrar”	the branch share registrar and transfer office of the Company in Hong Kong, being Computershare Hong Kong Investor Services Limited of Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong
“Rights Issue”	the issue by way of rights issue to the Qualifying Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents

DEFINITIONS

“Rights Share(s)”	39,058,614 Shares to be allotted and issued pursuant to the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$1.00 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price in respect of each Rights Share, being HK\$2.00
“Substantial Shareholder(s)”	has the meaning as ascribed thereto under the Listing Rules
“Takeovers Code”	The Code on Takeovers and Mergers and Share Buy-backs issued by the SFC
“Underwriter” or “Gransing Securities”	Gransing Securities Co., Ltd., a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities for the purpose of the SFO
“Underwriting Agreement”	the underwriting agreement dated 21 April 2016 entered into between the Company and the Underwriter in respect of the Rights Issue
“United States” or “U.S.”	the United States of America
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter may terminate the Underwriting Agreement by notice in writing issued to the Company prior to 4:00 p.m. on the Latest Time for Termination if:

- (A) the Underwriter shall become aware of the fact that, or shall have reasonable cause to believe that any of the representations, warranties and undertakings in the Underwriting Agreement was untrue, inaccurate, misleading or breached, and in each case the same is (in the reasonable opinion of the Underwriter) material in the context of the Rights Issue; or
- (B) there shall be:
 - (i) any enactment of new law or regulation, or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority, whether in Hong Kong or elsewhere;
 - (ii) any change in local, national or international financial, political, industrial or economic conditions;
 - (iii) any change of an exceptional nature in local, national or international equity securities or currency markets;
 - (iv) any local, national or international outbreak or escalation of hostilities, insurrection or armed conflict;
 - (v) any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange;
 - (vi) any suspension in the trading of the Shares on the Stock Exchange for a continuous period of 5 trading days (as defined in the Listing Rules); or
 - (vii) any change or development involving a prospective change in taxation or exchange controls in Hong Kong or elsewhere;

which is or are, in the reasonable opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business, financial position or prospects of the Group taken as a whole;
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares to be taken up; or
- (c) so material as to make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue.

Upon the giving of notice by the Underwriter to the Company to terminate the Underwriting Agreement, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine and none of the parties to the Underwriting Agreement shall have any claim against the other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save in respect of any antecedent breaches and claims).

LETTER FROM THE BOARD

Huge China Holdings Limited

匯嘉中國控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 428)

Executive Directors:

Mr. Chau Wai Hing
Mr. Wu Ming Gai

Non-executive Directors:

Mr. William Keith Jacobsen
Mr. Mak Hing Keung Thomas

Independent non-executive Directors:

Mr. Sio Chan In Devin
Mr. Law Siu Hung Paul
Mr. Wong Ching Wan

Registered office:

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

Principal place of business:

Unit 1615, 16th Floor,
Seapower Tower, Concordia Plaza,
1 Science Museum Road,
Tsimshatsui, Kowloon, Hong Kong

24 June 2016

*To the Qualifying Shareholders and
for information purpose only, to the Excluded Shareholders*

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE AT THE SUBSCRIPTION PRICE OF
HK\$2.00 PER RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcements and Circular in which, among others, the Company entered into the Underwriting Agreement with the Underwriter, whereby the Company proposes to raise approximately HK\$78.12 million, before expenses, by issuing 39,058,614 Rights Shares at the Subscription Price of HK\$2.00 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share in issue and held by the Qualifying Shareholders on the Record Date.

At the EGM held on 10 June 2016, the resolution approving the Rights Issue (including the Underwriting Agreement and the transactions contemplated thereunder) was duly passed by the Independent Shareholders by way of poll.

The purpose of this Prospectus is to provide you with, among other things, (i) further details of the Rights Issue; (ii) financial information of the Company; and (iii) general information of the Company.

LETTER FROM THE BOARD

THE RIGHTS ISSUE

The Company proposes to raise approximately HK\$78.12 million, before expenses, by way of the Rights Issue, details of which are set out as follows:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every one (1) existing Share held on the Record Date
Subscription Price	:	HK\$2.00 per Rights Share
Number of existing Shares in issue as at the Latest Practicable Date	:	39,058,614 Shares
Number of Rights Shares	:	39,058,614 Rights Shares
Number of Rights Shares to be underwritten by the Underwriter	:	39,058,614 Rights Shares
Number of Shares in issue upon completion of the Rights Issue	:	78,117,228 Shares

The Rights Shares

As at the Latest Practicable Date, there are outstanding Convertible Bonds in the aggregate principal amount of HK\$17,500,000 convertible into 1,400,000 Shares at the prevailing Conversion Price of HK\$12.50 per Share (subject to adjustment). However, since the conversion period of the Convertible Bonds commences on 19 August 2016, being the first anniversary of the date of issue of the Convertible Bonds, the Convertible Bonds will not be convertible into new Shares before the Record Date. Save as disclosed above, the Company has no other derivatives, outstanding convertible securities, options and warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the Latest Practicable Date.

The 39,058,614 Rights Shares proposed to be allotted and issued represent: (i) 100.0% of the Company's issued share capital as at the Latest Practicable Date; and (ii) 50.0% of the enlarged issued share capital of the Company immediately upon completion of the Rights Issue.

The Rights Issue is fully underwritten by the Underwriter, which shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 8.08 of the Listing Rules.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Board has not received any information from any Substantial Shareholders of their intention to take up the provisional pro-rata entitlements under the Rights Issue.

Subscription Price

The Subscription Price is HK\$2.00 per Rights Share, which will be payable in full upon application.

The Subscription Price represents:

- (i) a discount of approximately 15.25% to the closing price of HK\$2.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.04% to the average closing price of approximately HK\$2.354 per Share as quoted on the Stock Exchange for the last five consecutive trading days ending on the Last Trading Day;
- (iii) a discount of approximately 14.38% to the average closing price of approximately HK\$2.336 per Share as quoted on the Stock Exchange for the last ten consecutive trading days ending on the Last Trading Day;
- (iv) a discount of approximately 8.26% to the theoretical ex-rights price of approximately HK\$2.180 per Share, calculated based on the closing price of HK\$2.360 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (v) a discount of approximately 2.44% to the closing price of HK\$2.05 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (vi) a discount of approximately 83.24% to the Net Asset Value per Share as at 31 May 2016 of approximately HK\$11.93 (which is calculated based on 39,058,614 Shares in issue as at the Latest Practicable Date).

After deducting all relevant expenses relating to the Rights Issue, the net price per Rights Share will be approximately HK\$1.93.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, (i) the current market price of the Shares; and (ii) the capital needs of the Group. It has been indicated to the Company that the discount of the Subscription Price to the closing prices of the Shares is necessary to induce the Underwriter to participate in the underwriting of the Rights Shares, which is an essential part of the Rights Issue. The Directors are of the view that in the event that the Subscription Price is increased and the allotment ratio is lowered, the attractiveness to the Qualifying Shareholders to subscribe for the Rights Shares will likely decrease. The Directors also consider that each Qualifying Shareholder will be provisionally allotted for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date and the terms of the Rights Issue, including the Subscription Price which has been set at a discount to the closing prices of the Shares with an objective of encouraging existing Shareholders to take up their provisional allotments so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

Given that the Company has funding needs and the discount of the Subscription Price and the basis of one (1) Rights Share for every one (1) existing Share can (i) provide an incentive for the Qualifying Shareholders to subscribe for the Rights Shares; and (ii) induce the Underwriter to participate in the underwriting of the Rights Shares, the Directors are of the view that the current structure of the Rights Issue is fair and reasonable.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date, being 39,058,614 Rights Shares. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Company has sent the Prospectus Documents to the Qualifying Shareholders. To qualify for the Rights Issue, the Shareholders must at the close of business on the Record Date: (i) be registered on the register of members of the Company; and (ii) not be the Excluded Shareholders.

Beneficial owners whose Shares are held by nominee companies should note that the Board will regard a nominee company as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by nominee companies are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders, if any, may not be eligible to take part in the Rights Issue as explained below.

As at the Latest Practicable Date, according to the register of members of the Company, the Overseas Shareholders have registered addresses in 6 jurisdictions, namely, Australia, British Virgin Islands, Canada, Macau, Malaysia and the United States. Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Board has made enquiries regarding the legal restrictions under the applicable securities legislation of the relevant jurisdictions and the requirements of the relevant regulatory body or stock exchange with respect to the offer of the Rights Shares to such Overseas Shareholders.

The Company has obtained advice from legal advisers in Australia, British Virgin Islands and Macau and has been advised that under the applicable legislations of these jurisdictions, either (i) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdiction; or (ii) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions.

LETTER FROM THE BOARD

Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in Australia, British Virgin Islands and Macau, and such Overseas Shareholders are Qualifying Shareholders.

The Company has also obtained advice from its legal advisers in Canada, Malaysia and the United States. Having considered the circumstances, the Directors have formed the view that, it is necessary or expedient to restrict the ability of Shareholders in Canada, Malaysia and the United States to take up their rights under the Rights Issue due to the time and costs involved in the registration of the Prospectus and/or compliance with the relevant local legal or regulatory requirements in Canada, Malaysia and the United States and/or additional steps the Company and/or Shareholders and/or beneficial owners of the Shares need to take to comply with the local legal requirements in Canada, Malaysia and the United States.

The Company will provisionally allot the Rights Shares which represent the entitlements of the Excluded Shareholders to a nominee of the Company in nil-paid form and the Company will procure that such nominee will endeavour to sell the rights as soon as practicable after dealings in nil-paid Rights Shares commence and in any event on or before the last day of dealings in nil-paid Rights Shares at a net premium. If and to the extent that such rights can be so sold, the nominee will account to the Company for the net proceeds of sale (after deducting the expenses of sale, if any). The Company shall distribute to the Excluded Shareholders the net proceeds after deducting the expenses of sale (if any) attributable to the sale of the nil-paid Rights Shares that would otherwise have been allotted to the Excluded Shareholders pro rata to their shareholdings as at the Record Date (but rounded down to the nearest cent) provided that individual amounts of HK\$100 or less shall be retained by the Company for its own benefit. Any of such nil-paid Rights Shares which are not sold as aforesaid will be dealt with as Rights Shares not accepted and in accordance with the terms of the Underwriting Agreement.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Ranking of the Rights Shares

The Rights Shares, when allotted, issued and fully-paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those allotted thereto by ordinary post at their own risk on or before Tuesday, 19 July 2016. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares are also expected to be posted on or before Tuesday, 19 July 2016 by ordinary post at such Shareholders' own risk.

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Each successful applicant will receive one share certificate for all fully-paid Rights Shares and/or excess Rights Shares allotted and issued to him/her/it.

Procedures for acceptance, payment and transfer

A PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar by no later than 4:00 p.m. on Monday, 11 July 2016. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**Huge China Holdings Limited – Rights Issue Account**" and crossed "**Account Payee Only**".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Monday, 11 July 2016, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAF by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation no later than 4:30 p.m. on Thursday, 30 June 2016 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in such event, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

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Save as described under the paragraph headed “Rights of Overseas Shareholders” above, no action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving this Prospectus, the PAL or the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares or excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. It is the responsibility of anyone outside Hong Kong to satisfy itself/himself/herself before acquiring any rights to subscribe for the provisionally allotted Rights Shares or making an application for the excess Rights Shares, as to the full observance of the laws and regulations of all relevant jurisdictions, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in any such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is an Excluded Shareholder.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below is not fulfilled on or before the Latest Time for Termination (or such later time or date as the Company and the Underwriter may agree in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Tuesday, 19 July 2016.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for any unsold allotments of the Excluded Shareholders and any Rights Shares provisionally allotted but not accepted by any Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/her/its provisional allotment must complete and sign the EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar so as to be received by no later than 4:00 p.m. on Monday, 11 July 2016. All remittances must be made by cheque or cashier’s order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to **“Huge China Holdings Limited — Excess Application Account”** and crossed **“Account Payee Only”**.

The Board will allocate the excess Rights Shares to Qualifying Shareholders who have applied for excess application on a pro-rata basis on the excess Rights Shares applied by them, without involving allocation of any fractional Rights Share.

No preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note that there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares. No reference will be made to the Rights Shares comprised in applications by PAL or the existing number of Shares held by the Qualifying Shareholders.

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Beneficial owners with their Shares held by a nominee company (or which are held in CCASS) should note that the Board will regard the nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, beneficial owners whose Shares are registered in the name of a nominee (or which are held in CCASS) should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

Any Rights Shares not taken up by the Qualifying Shareholders and not taken by excess applications will be taken up by the Underwriter pursuant to the terms and conditions of the Underwriting Agreement.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on Monday, 18 July 2016. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that a cheque despatched by ordinary post to their registered addresses at their own risk for the amount tendered on application will be returned in full without interest on or before Tuesday, 19 July 2016. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, a cheque despatched by ordinary post to their registered addresses at their own risk for the amount of the surplus application monies are also expected to be returned to them without interest on or before Tuesday, 19 July 2016.

All cheques or cashier's orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

The EAF is for use only by the Qualifying Shareholder(s) to whom it is addressed and is not transferable.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled on or before the Latest Time for Termination (or such later time or date as the Company and the Underwriter may agree in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 19 July 2016.

Completion and return of the EAF by anyone outside Hong Kong will constitute a warranty and representation to the Company that all the local registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the EAF and any application under it, have been, or will be, duly complied with. For the avoidance of doubt neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties.

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Fractions of the Rights Shares

On the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date, no fractional Share will arise under the Rights Issue.

Application for listing

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the approval for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 2,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

No part of the securities of the Company is listed or dealt in or on which listing or permission to deal is being or is proposed to be sought on any other stock exchange.

UNDERWRITING AGREEMENT

Date of the Underwriting Agreement : 21 April 2016 (after trading hours)

Underwriter : Gransing Securities

Number of Rights Shares to be underwritten : 39,058,614 Rights Shares

Under the Underwriting Agreement, the Rights Issue is fully underwritten by the Underwriter and the Underwriter shall procure that any subscribers procured by them shall be Independent Third Parties and shall not become Substantial Shareholders holding 10% or more shareholding in the Company immediately after completion of the Rights Issue.

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To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Underwriter and their ultimate beneficial owners are Independent Third Parties. As at the date of the Underwriting Agreement, the Underwriter is not interested in any Shares.

Under the Underwriting Agreement, if the conditions of the Rights Issue are fulfilled on or before the Latest Time for Acceptance (or such later time and/or date as the Company and the Underwriter may determine in writing) and the Underwriting Agreement becomes unconditional and is not terminated in accordance with the terms thereof, and in the event that by the Latest Time for Acceptance any of the Rights Shares have not been taken up (the "Untaken Shares"), the Company shall as soon as practicable thereafter notify or procure the branch share registrar and transfer office of the Company in Hong Kong on behalf of the Company to notify the Underwriter in writing of the number of Rights Shares not taken up. Pursuant to the Underwriting Agreement, when the Underwriter is being called upon to subscribe for or procure subscription for the Untaken Shares:

- (i) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert with it in the Company to be 10.0% or more of the then issued share capital of the Company;
- (ii) the Underwriter shall use all reasonable endeavours to procure that none of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters) will become a Substantial Shareholder of the Company as a result of such subscription and such subscriber, together with parties acting in concert with each of them, shall not be holding 10.0% or more of the voting rights of the Company upon the allotment and issue of the Rights Shares;
- (iii) the Underwriter shall use all reasonable endeavours to procure that each of the subscribers of the Untaken Shares (including any direct and indirect sub-underwriters) shall be third party independent of, not acting in concert with and shall not be connected with, the Directors, chief executive or Substantial Shareholders of the Company or any of its subsidiaries and their respective associates; and
- (iv) in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 of the Listing Rules.

Underwriting commission

The Company will pay the Underwriter an underwriting commission at the rate of 2.0% of the aggregate Subscription Price in respect of the number of Rights Shares agreed to be underwritten by the Underwriters as determined on the Record Date. The commission rate was determined after arm's length negotiation between the Company and the Underwriter by reference to the market rate, the size of the Rights Issue and the current and expected market condition. The Directors (including the independent non-executive Directors who have considered the opinion of the Independent Financial Advisor regarding the Rights Issue) are of the view that the terms of the Underwriting Agreement, including the underwriting commission, are in line with market practice and are fair and reasonable for the Company and the Shareholders as a whole.

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Termination of the Underwriting Agreement

Information on the termination of the Underwriting Agreement has been set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus.

The Directors (including the independent non-executive Directors who have considered the opinion of the Independent Financial Adviser regarding the Rights issue) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable as compared to the market practice and commercially reasonable as agreed between the parties to the Underwriting Agreement.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the passing by the Independent Shareholders at the EGM on or prior to the Posting Date of the relevant resolution to approve, among others, the Rights Issue, the Underwriting Agreement and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares;
- (ii) the delivery to the Stock Exchange for authorisation and the registration by the Registrar of Companies in Hong Kong respectively on or prior to the Posting Date of one copy of each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies (WUMP) Ordinance (and all other documents required to be attached thereto) and otherwise complying with the requirements of the Companies (WUMP) Ordinance and the Listing Rules;
- (iii) the posting on the Posting Date of the Prospectus Documents to the Qualifying Shareholders;
- (iv) the Listing Committee granting or agreeing to grant the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms by no later than the Posting Date and the Listing Committee not having withdrawn or revoked such listings and permission on or before the Latest Time for Termination; and
- (v) compliance with and performance of all the undertakings and obligations by the Company under the terms of the Underwriting Agreement.

None of the above conditions is capable of being waived by the Underwriter and the Company other than condition (v) above. The Underwriter may waive condition (v) above in whole or in part by written notice to the Company.

As at the Latest Practicable Date, condition (i) has been fulfilled.

In the event that the above conditions are not fulfilled or waived on or before the Posting Date or in the event that condition (iv) in respect of fully-paid Rights Shares has not been satisfied on or before the Latest Time for Termination (or in each case such other date or dates as may be agreed between the Company and the Underwriter in writing) or if the Underwriting Agreement shall be terminated pursuant

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to the terms in the Underwriting Agreement, all obligations and liabilities of the parties thereunder shall cease and determine and none of the parties shall have any claim against the other (save in respect of any antecedent breaches and claims).

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is an investment company listed on the main board of the Stock Exchange under Chapter 21 of the Listing Rules. The principal activity of the Company is investment holding and the Group is principally engaged in investments in securities listed on recognised stock exchanges and unlisted investments.

It is the corporate strategy of the Group to strengthen its existing businesses and continue its focus on financing future investment opportunities domestically and internationally to achieve financial growth for the Group and to maximise the Shareholders' value.

As disclosed in the annual report of the Company for the year ended 31 December 2015, the Group will continue to focus on investments in listed securities, private equity funds, real property projects and private enterprises with potential prospect. It will also seek opportunities to invest in the PRC, Hong Kong and overseas thereby implement its risk management policy with an aim to achieve stable returns on investments for the Shareholders.

For the year ended 31 December 2015, the Group recorded a revenue of approximately HK\$6.1 million as compared to approximately HK\$3.5 million in the prior year, representing an increase of approximately 74.3%. In addition, the Group recorded a realised gain of approximately HK\$29.0 million on listed securities for the year ended 31 December 2015 as compared to approximately HK\$0.8 million for the year ended 31 December 2014, representing an approximately 3,525.0% increase. With the impact of favourable performance of certain publicly traded securities held by the Group during the year ended 31 December 2015, the Group recorded an unrealised gain of approximately HK\$281.5 million on its publicly traded securities and the derivative financial instruments as compared to an unrealised loss of approximately HK\$35.9 million in the previous year.

The Group expects the stock market and economy of the PRC will continue to struggle with continuation of uncertainty in 2016 after the stock market crash and economy slowdown in the PRC. The PRC is the top principal trading partner of Hong Kong, so its economy will definitely affect Hong Kong's economy. Nevertheless, the PRC still is a big market with rapid growth.

Owing to the business nature of the Group, being an investment company, the Group requires extensive cash to grow. Unlike other companies with constant cash income from operations, investment companies under Chapter 21 of the Listing Rules do not necessarily generate extensive cash income. With a view of increasing the size of its investment portfolio and taking into account the net cash position of the Group of approximately HK\$13.3 million and HK\$6.0 million as at 31 March 2016 and 31 May 2016 respectively, the Board considers that it will be insufficient for the Group to capture suitable investment opportunities which may arise from time to time for expanding its investment portfolio and business and continue the growing performance without funding. As such, the Group would like to raise additional capital to equip itself with a healthier and stronger capital base to further invest in both securities market and for future strategic investment when suitable opportunities arise to produce a satisfactory result.

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The gross proceeds of the Rights Issue will be HK\$78,117,228 (assuming no Shares being issued or repurchased by the Company on or before the Record Date) before expenses. The estimated net proceeds of the Rights Issue, after deducting all relevant expenses, are estimated to be approximately HK\$75 million. The net price per Rights Share after deducting the relating expenses of the Rights Issue will be approximately HK\$1.93. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$36.0 million for investment in listed securities in various industries including but not limited to energy, real estate property, electronic products, media and manufacturing;
- (ii) approximately HK\$35.0 million for investment in unlisted securities in various industries including but not limited to financial, beauty and electronic payment service providers; and
- (iii) the remaining balance for general working capital of the Group for the coming year.

On 3 May 2016, the Company entered into a subscription agreement (“**HF Subscription Agreement**”) with HF Financial Group (Hong Kong) Limited (“**HFHK**”) pursuant to which the Company has agreed to subscribe (“**HF Subscription**”) for convertible note in the principal amount not exceeding HK\$20 million to be issued by HFHK (“**HF Convertible Note**”). HFHK, an Independent Third Party, together with its subsidiaries are principally engaged in securities trading, asset management and the provision of appraisal, valuation and marketing services. The HF Subscription is an unlisted equity investment and is conditional upon the delivery by HFHK of a valuation report in respect of the enterprise value of HFHK and its subsidiaries as at 31 March 2016 in form and substance satisfactory to the Company. The final amount of the HF Convertible Note to be subscribed by the Company will be determined by the Company and HFHK based on such enterprise value.

On 18 May 2016, the Company entered into a subscription agreement (the “**Positive Hill Subscription Agreement**”) with Positive Hill International Limited (“**Positive Hill**”) and Mr. Chan Yee Lak, Samuel (“**Mr. Chan**”) as a guarantor of Positive Hill pursuant to which the Company has agreed to subscribe (the “**Positive Hill Subscription**”) for convertible note in the principal amount of HK\$10 million to be issued by Positive Hill (the “**Positive Hill Convertible Note**”). Both Mr. Chan and Positive Hill are Independent Third Parties. Positive Hill, together with its subsidiaries (the “**Positive Hill Group**”), are principally engaged in computer software and hardware design and development, and computer and payment network security development and consultancy services. The Positive Hill Subscription is an unlisted equity investment and is conditional upon (i) the completion of reorganisation of the Positive Hill Group and (ii) the issue of a PRC legal opinion in respect of the Positive Hill Group in form and substance satisfactory to the Company. During the period commencing from the issue date and ending on the maturity date or the extended maturity date, the Company may convert the Positive Hill Convertible Note into shares of Positive Hill (the “**Positive Hill Shares**”) at a conversion price of HK\$4,000 per Positive Hill Share. Upon full conversion of the Positive Hill Convertible Note, the Company will hold a total of 2,500 Positive Hill Shares, representing 20% of the diluted issued share capital of Positive Hill (assuming there is no change in the issued share capital of Positive Hill except for the issue of the Positive Hill Shares as aforesaid).

If the condition is not fulfilled on or before 31 August 2016 (or such other date as agreed between the parties in writing) for the HF Subscription Agreement and on or before 31 October 2016 (or such other date as agreed between the parties in writing) for the Positive Hill Subscription Agreement, the relevant agreement will be terminated. Upon termination of the relevant agreement, the deposits which

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have been paid by the Company to HFHK pursuant to a memorandum of understanding dated 6 August 2015 entered into between the parties (as supplemented by extension agreements dated 5 November 2015 and 3 February 2016) and upon the signing of the HF Subscription Agreement in the aggregate sum of HK\$15 million will be refunded to the Company, and the deposits in the sum of HK\$1 million (and if completion does not take place on or before 30 June 2016, a further deposit of HK\$1 million) which have been paid by the Company to Positive Hill will be refunded to the Company with interest.

Both the HF Convertible Note and the Positive Hill Convertible Note will bear interest at the rate of 8% per annum. The HF Convertible Note will mature on the first anniversary of the issue date of the HF Convertible Note and the Positive Hill Convertible Note will mature on the second anniversary of the issue date of the Positive Hill Convertible Note. The HF Convertible Note may be extended at the option of HFHK to a date not later than the date falling on the second anniversary of the issue date of the HF Convertible Note and the Positive Hill Convertible Note may be extended at the option of the Company a date not later than the date falling on the fourth anniversary of the issue date of the Positive Hill Convertible Note.

If either or both of the HF Subscription and the Positive Hill Subscription proceed, the Company may utilise part of the proceeds from the Rights Issue allocated for investments in unlisted securities as mentioned in (ii) above for the payment of the remaining subscription moneys for the HF Convertible Note (which shall not exceed HK\$5 million) or/and the Positive Hill Convertible Note in the sum of HK\$8 million.

The percentage ratios (as defined under the Listing Rules) in respect of each of the HF Subscription (with a principal amount not exceeding HK\$20 million) and the Positive Hill Subscription do not exceed 25% and therefore none of the subscriptions would constitute a notifiable transaction for the Company under the Listing Rules. When the Company proposes to exercise any conversion rights attached to the HF Convertible Note and/or the Positive Hill Convertible Note, it will comply with the applicable notifiable transaction requirements for the acquisition of an interest in HFHK and Positive Hill (as the case may be) under the Listing Rules.

In respect of the HF Subscription and the Positive Hill Subscription, the Company will not either on its own or in conjunction with any connected person, take legal, or effective, management control of HFHK or Positive Hill, or controls more than 30% of the voting rights in HFHK or Positive Hill. Each of (i) the maximum principal amount of the HF Convertible Note and (ii) the principal amount of the Positive Hill Convertible Note does not constitute more than 20% of the Company's net asset value as at the date of signing of the respective subscription agreement.

Save for the HF Subscription Agreement and the Positive Hill Subscription Agreement, as at the Latest Practicable Date, the Group has not entered into any definitive investment agreement in relation to any specific investment.

The Directors are of the opinion that after taking into account the present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for at least 12 months from the Latest Practicable Date in the absence of unforeseen circumstances. As at the Latest Practicable Date, save for the Rights Issue, the Company did not have any plan to conduct further equity fund raising activity. In the event any equity fund raising activity shall take place, further announcement(s) will be made as and when necessary in accordance with the Listing Rules and other legal and regulatory requirements.

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Other fund raising alternatives

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, bank loans and placing of new Shares.

Debt financing or bank loans would result in additional interest burden to and higher gearing ratio of the Group. The Company has attempted to obtain loan financing from two bankers for financing its principal business, however, those bankers indicated that it was unlikely for the Company to obtain loan financing from them without any asset pledge or at favourable terms. Therefore, given the fund raising size and the business scale of the Company, the Directors consider it not feasible for the Company to obtain the required amount from bank financing at favourable terms.

Placing of new Shares would only be available to certain placees who are not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders.

Although open offer is similar to rights issue, it would not provide an additional option to those Qualifying Shareholders who do not wish to take up their entitlements to sell their entitled nil-paid rights.

The objective of the Rights Issue is to enable the Shareholders to maintain their proportionate interests in the Company should they wish to do so, ensuring stability in the Company's shareholders' base, and to participate in the Company's future growth and development. The Board therefore considers the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro-rata shareholding interests in the Company.

Having considered other fund raising alternatives for the Group as disclosed above, and taking into account the benefits and cost of each of the alternatives, the Directors (including the independent non-executive Directors) are of the view that the Rights Issue is the most appropriate fund raising option to the Company and is in the interest of the Company and the Shareholders as a whole since it offers the Qualifying Shareholders the opportunity to maintain their pro-rata shareholding interests in the Company.

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SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company before and after the completion of the Rights Issue:

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue			
			Assuming all the Rights Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Seize Minute Limited (Note)	8,517,465	21.8	17,034,930	21.8	8,517,465	10.9
Kor Sing Mung Michael (Note)	664,000	1.70	1,328,000	1.70	664,000	0.9
The Underwriter	-	-	-	-	39,058,614	50.0
Public Shareholders	29,877,149	76.5	59,754,298	76.5	29,877,149	38.2
	<u>39,058,614</u>	<u>100.0</u>	<u>78,117,228</u>	<u>100.0</u>	<u>78,117,228</u>	<u>100.0</u>

Note: Seize Minute Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly owned by MK Investments Limited. MK Investments Limited, a company incorporated in St. Kitts with limited liability, is wholly and beneficially owned by Mr. Kor Sing Mung Michael. Accordingly, Mr Kor Sing Mung Michael and MK Investments Limited are deemed to be interested in the Shares held by Seize Minute Limited under the SFO. Mr. Kor Sing Mung Michael personally holds 664,000 Shares.

As at the Latest Practicable Date, the existing public Shareholders hold approximately 76.5% of the entire issued share capital of the Company. Upon completion of the Rights Issue (assuming none of the Rights Shares are subscribed for by the Qualifying Shareholders), the existing public Shareholders will hold approximately 38.2% of the enlarged issued share capital of the Company.

Qualifying Shareholders who do not take up the Rights Shares to which they are provisionally allotted and the Excluded Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Rights Issue. The possible maximum dilution to shareholdings of those Qualifying Shareholders who do not subscribe for the Rights Shares is approximately 50.0%.

As discussed with the Underwriter, in the event that there is insufficient public float of the Company within the meaning of the Listing Rules immediately upon completion of the Rights Issue solely because of the Underwriter's performance of its obligations pursuant to the Underwriting Agreement, the Underwriter agrees to take such appropriate steps as may be reasonably required to maintain the minimum public float for the Shares in compliance with Rule 8.08 of the Listing Rules. The Underwriter will use all reasonable endeavours to ensure that each of the subscribers and/or sub-underwriters shall be (i) Independent Third Parties; (ii) will not hold 10% or more of the voting rights in the Company upon completion of the Rights Issue. The Underwriter will also ensure that at least 25% of the total issued share capital of the Company is held by the public at all times such that the public float requirements under Rule 8.08 of the Listing Rules will be complied with by the Company.

LETTER FROM THE BOARD

FUND RAISING EXERCISES OF THE COMPANY IN THE PAST 12 MONTHS

Save as disclosed below, the Company has not conducted any other fund raising activities in the past 12 months immediately preceding the Latest Practicable Date:

Date of announcement(s)	Event	Net proceeds raised	Intended use of net proceeds	Actual use of proceeds
17 July 2015, 30 July 2015 and 19 August 2015	Placing of Convertible Bonds to not less than six places under the General Mandate. A maximum amount of 1,400,000 Conversion Shares will be allotted and issued upon exercise of the Conversion Rights attaching to the Convertible Bonds at the initial Conversion Price of HK\$12.5 per Share.	Approximately HK\$17.0 million	To finance future investment opportunities and/or as general working capital of the Group.	Fully utilised as to approximately (i) HK\$15.0 million for the investment of approximately 143 million shares in China Oil Gangran Energy Group Holdings Limited (stock code: 8132) at a consideration of HK\$0.105 per share; and (ii) HK\$2.0 million for working capital.

As at the Latest Practicable Date and to the best of the Directors' knowledge, information and belief, the Company is not considering any equity fund raising exercise during the next 12 months from the date of this Prospectus. To the best of the Directors' knowledge, information and belief, the proceeds from the Rights Issue and the internal funding of the Company can satisfy the Company's expected funding needs for the next 12 months from the date of this Prospectus.

LISTING RULES IMPLICATIONS

In compliance with Rule 7.19(6) of the Listing Rules, the Rights Issue must be made conditional on approval of the Independent Shareholders by way of poll at the EGM on which any controlling Shareholders (as defined in the Listing Rules) and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue. As at the date of the EGM, the Company did not have any controlling Shareholder and chief executive and to the best of the knowledge, information and belief of the Directors, none of the Directors (other than independent non-executive Directors) nor their respective associates held any Shares. Accordingly, no Shareholder was required to abstain from voting in favour of the Rights Issue at the EGM.

The Rights Issue has been duly approved by the Independent Shareholders at the EGM.

LETTER FROM THE BOARD

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof.

Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares and the nil-paid Rights Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Rights Shares have been dealt in on an ex-right basis commencing from Tuesday, 14 June 2016 and that dealing in the Shares will take place while the conditions to which the Underwriting Agreement is subject remain unfulfilled.

Any Shareholder or other person dealing in the Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on 4:00 p.m. on Tuesday, 12 July 2016), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing any Shares or nil-paid Rights Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

ADDITIONAL INFORMATION

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

Yours faithfully,
By Order of the Board
Huge China Holdings Limited
匯嘉中國控股有限公司
Chau Wai Hing
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for each of the three years ended 31 December 2013, 31 December 2014 and 31 December 2015 are disclosed in the annual reports of the Company for the years ended 31 December 2013 (pages 36 to 115), 31 December 2014 (pages 36 to 115) and 31 December 2015 (pages 50 to 131). The said annual reports of the Company are published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.huge-china.com.hk).

The annual report for the year ended 31 December 2013 of the Company was published on 29 April 2014 on the Stock Exchange's website, which can be accessed by the following link:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0429/LTN20140429661.pdf>

The annual report for the year ended 31 December 2014 of the Company was published on 28 April 2015 on the Stock Exchange's website, which can be accessed by the following link:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0428/LTN201504281099.pdf>

The annual report for the year ended 31 December 2015 of the Company was published on 25 April 2016 on the Stock Exchange's website, which can be accessed by the following link:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0425/LTN20160425799.pdf>

2. STATEMENT OF INDEBTEDNESS**Convertible Bonds**

As at 31 May 2016, the Group had outstanding Convertible Bonds in the aggregate principal amount of HK\$17,500,000 issued by the Company to not less than six Placees on 19 August 2015.

Operating lease commitments

As at 31 May 2016, the Group had total future minimum lease payments under non-cancellable operating leases in respect of the leases for certain of its office premises as follows:

	Total <i>HK\$'000</i>
Within one year	1,509
In the second to fifth years inclusive	500
	<hr/>
	2,009
	<hr/> <hr/>

Promissory note

As at 31 May 2016, the Group had outstanding promissory notes of HK\$750,000 issued by the Company.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables, as at 31 May 2016, the Group did not have any debt securities issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptance (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, finance leases or hire purchase commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that after taking into account the present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for at least 12 months from the Latest Practicable Date in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial position or trading position of the Group since 31 December 2015, being the date to which the latest published audited financial statements of the Group was made up.

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

The Company is an investment company and its shares are listed on the main board of the Stock Exchange since 14 December 1993, pursuant to Chapter 21 of the Listing Rules. The Group's principal activities, investment in securities listed on recognised stock exchanges and unlisted investments, will remain unchanged.

The year 2015 was quite a volatile year for investing in the listed securities both Hong Kong and the PRC. The Hong Kong stock market, followed by the stock market in the PRC, jumped to the seven years peak in April 2015. However, Hang Seng Index suffered a big fall to the year-low in September 2015 as a result of the stock market crash in the PRC.

In December 2015, The U.S. Federal Reserve made an announcement to raise its interest rates by 0.25 percentage points creating an unprecedented increase in almost a decade. This move indicated the end of near-zero interest rate regime and it is expected that with U.S. normalising its interest rate cycle in coming future, U.S. currency will be strengthened, triggering a capital outflow from Hong Kong stock market. It also affects the Hong Kong stock market and even the overall economy.

The stock market crash in the PRC in August 2015 undeniably had a snowball effect on economies across the world. The economic slowdown in the PRC was a key concern to the world. The PRC's economic growth fell from approximately 6.9% in the third quarter to approximately 6.8% in the fourth quarter in 2015. In 2015, on the whole in the PRC, its GDP had increased to approximately 6.9%. It had been the slowest pace since 1990 but still stayed within range of the government's target of "approximately 7.0%". The Chinese currency ("CNY") remains under pressure due to strong capital outflows and it is estimated to impact the health of the PRC's economy.

The Group expects the stock market and economy of the PRC will continue to struggle with continuation of uncertainty in 2016 after the stock market crash and economy slowdown in the PRC. The PRC is the top principal trading partner of Hong Kong, so its economy will definitely affect Hong Kong's economy. Nevertheless, the Group takes the view that the PRC is still a big market with rapid growth. The Group will continue to focus on listed securities, private equity funds, real estate property projects and private enterprises with potential prospect. It will also seek opportunities to invest in the PRC, Hong Kong and overseas thereby implement its risk management policy with an aim to achieve stable returns on investment for the shareholders of the Company.

According to the management account of the Group, for the five months ended 31 May 2016, the Group recorded an unaudited revenue of approximately HK\$3.6 million as compared to approximately HK\$1.1 million in the same period in 2015, representing an increase of approximately 227.3%. In addition, the Group recorded an unaudited realized gain of approximately HK\$0.2 million on listed securities for the five months ended 31 May 2016 as compared to approximately HK\$6.0 million for the five months ended 31 May 2015, representing a decrease of approximately 96.7%.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information of the Group (the “**Unaudited Pro Forma Financial Information**”) has been prepared in accordance with paragraph 4.29(1) of the Listing Rules set out below to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if they had taken place on 31 December 2015.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2015 or at any future date.

The following Unaudited Pro Forma Financial Information of the adjusted consolidated net tangible assets of the Group attributable to owners of the Company is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2015, extracted from the published audited report of the Group for the year ended 31 December 2015, with adjustment described below:

Audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2015 <i>HK\$'000</i> <i>(Note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company as at 31 December 2015 <i>HK\$'000</i>	Audited consolidated net tangible assets attributable to owners of the Company per Share before the completion of the Rights Issue <i>HK\$</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per Share immediately after completion of the Rights Issue <i>HK\$</i> <i>(Note 4)</i>
Based on 39,058,614 Rights Shares at subscription price of HK\$2 per Rights Share				
487,181	75,383	562,564	12.47	7.20
<u>487,181</u>	<u>75,383</u>	<u>562,564</u>	<u>12.47</u>	<u>7.20</u>

Notes:

- (1) The audited consolidated net tangible assets attributable to owners of the Company as at 31 December 2015 has been extracted from the published annual report of the Company for the year ended 31 December 2015.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$75,383,000 are calculated on 39,058,614 Rights Shares to be issued at the Subscription Price of HK\$2 per Rights Share and after deducting estimated related expenses, including among others, legal and professional fees, which are directly attributable to the Rights Issue, of approximately HK\$2,734,000.
- (3) The audited consolidated net tangible assets of the Group per share attributable to the owners of the Company before the completion of the Rights Issue is determined based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2015 of approximately HK\$487,181,000 as disclosed in note 1 above, divided by 39,058,614 Shares in issue as at 31 December 2015.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group after the completion of the Rights Issue per share is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2015 for the Rights Issue of approximately HK\$562,564,000 divided by 78,117,228 Shares which comprise 39,058,614 Shares in issue as at 31 December 2015 and 39,058,614 Rights Shares to be issued after the completion of the Rights Issue.
- (5) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 December 2015.

Set out below is the text of a letter received from Elite Partners CPA Limited, the Independent Reporting Accountants to the Board of Directors in respect of the Rights Issue for the purpose of inclusion in this Prospectus.



開元信德會計師事務所有限公司
ELITE PARTNERS CPA LIMITED
Certified Public Accountants

The Board of Directors
Huge China Holdings Limited
Unit 1615, 16th Floor,
Seapower Tower, Concordia Plaza,
1 Science Museum Road,
Tsim Sha Tsui, Kowloon,
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Huge China Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (“**Directors**”) for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2015, and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix II of the Prospectus issued by the Company. The applicable criteria on the basis of which the directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of this Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of one rights share at the subscription price of HK\$2 per rights share (the “**Rights Share**”) for every one existing share held on the record date (the “**Rights Issue**”) as if the transaction had taken place as at 31 December 2015. As part of this process, information about the consolidated statement of financial position of the Group as at 31 December 2015, as extracted from the published annual report of the Company for the year ended 31 December 2015 dated 30 March 2016.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”).

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "*Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

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

The purpose of Unaudited Pro Forma Financial Information included in a prospectus is solely to illustrate the impact of the significant transaction on consolidated net tangible assets of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2015 would have been as presented.

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

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

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

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

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

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Your faithfully,

Elite Partners CPA Limited

Certified Public Accountants

Yip Kai Yin

Practising Certificate Number: P05131

Hong Kong, 24 June 2016

1. RESPONSIBILITY STATEMENT

This Prospectus includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group.

This Prospectus, for which the Directors and the directors of the Investment Manager collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors and the directors of the Investment Manager, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue are as follows:

(i) As at the Latest Practicable Date:

<i>Authorised:</i>		<i>HK\$</i>
<u>100,000,000</u>	Shares	<u>100,000,000</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>39,058,614</u>	Shares in issue	<u>39,058,614</u>

(ii) Immediately following the completion of the Rights Issue:

<i>Authorised:</i>		<i>HK\$</i>
<u>100,000,000</u>	Shares	<u>100,000,000</u>
<i>Issued and fully paid:</i>		
39,058,614	Shares in issue immediately before completion of the Rights Issue	39,058,614
<u>39,058,614</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>39,058,614</u>
<u>78,117,228</u>	Shares in issue immediately after completion of the Rights Issue	<u>78,117,228</u>

All of the Rights Shares to be issued will rank *pari passu* in all respects with each other. Holder of the Rights Shares in their fully-paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the fully-paid Rights Shares. The Rights Shares to be issued will be listed on the Stock Exchange.

Saved for the Convertible Bonds in the aggregate principal of HK\$17,500,000 issued by the Company and convertible up to a maximum of 1,400,000 Conversion Shares at the Convertible Price with a conversion period commencing from the first anniversary of the date of issue of the Convertible Bonds (being 19 August 2016) and ending on the second anniversary of the date of issue of the Convertible Bonds (being 19 August 2017), since 31 December 2015, the date to which the latest audited consolidated accounts of the Company were made up, and up to the Latest Practicable Date, the Company has no other outstanding warrants, options, derivatives or convertible or exchangeable securities.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, no Share or loan capital of the Company or any of its subsidiaries had been put under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS

(a) Directors' interests

As at the Latest Practicable Date, none of the Directors of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, to be notified to the Company and the Stock Exchange; or (iv) to be disclosed under the Takeovers Code.

(b) Substantial Shareholders' interest

As at the Latest Practicable Date, so far as is known to the Directors and the chief executive of the Company, the following persons (other than a Director) had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

Long positions in the Shares and underlying Shares of the Company and its associated corporations:

Name	Nature of interest/Capacity	Total number of Shares held	Approximate percentage of the issued share capital (Note 1)
Seize Minute Limited (Note 2)	Beneficial owner	8,517,465(L)	21.81%
MK Investments Limited (Note 2)	Interest of a controlled corporation	8,517,465(L)	21.81%
Kor Sing Mung Michael (Note 2)	Beneficial owner and Interest of a controlled corporation	9,181,465(L)	23.51%
Gransing Securities (Note 3)	Beneficial owner	39,058,614(L)	50%
Gransing Financial Holdings Limited (Note 3)	Interest of a controlled corporation	39,058,614 (L)	50%
Kwok Shun Tim (Note 3)	Interest of a controlled corporation	39,058,614 (L)	50%
Yip Nga Wan (Note 3)	Spouse interest	39,058,614 (L)	50%

(L) - Long Position

Notes:

1. The percentage represented the percentage of the Company's share capital as stated in the relevant disclosure of interests forms.
2. Seize Minute Limited is a wholly owned subsidiary of MK Investments Limited. MK Investments Limited is wholly owned by Mr. Kor Sing Mung Michael. Seize Minute Limited directly holds 8,517,465 Shares and Mr. Kor Sing Mung Michael personally holds 664,000 Shares.
3. Gransing Securities entered into the Underwriting Agreement with the Company, pursuant to which Gransing Securities agreed to underwrite 39,058,614 Rights Shares. Such Rights Shares represent 100% of the Company's issued share capital as at the Latest Practicable Date and 50% of the enlarged issued share capital of the Company immediately following completion of the Rights Issue. The 39,058,614 Shares are the Right Shares which Gransing Securities as the Underwriter is interested under the Underwriting Agreement on the assumption of no acceptance by the Qualifying Shareholders under the Rights Issue. Gransing Securities is a wholly owned subsidiary of Gransing Financial Holdings Limited. Mr. Kwok Shun Tim owns 95.24% interest in Gransing Financial Holdings Limited and Ms. Yip Nga Wan is the spouse of Mr. Kwok Shun Tim.

Save as disclosed above, the Directors and the chief executive of the Company are not aware that there is any other person (other than a Director or chief executive of the Company) who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly interested in 10 per cent or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at a general meeting of any member of the Group.

4. COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

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

5. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2015, being the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by, or leased to any member of the Group, or were proposed to be acquired or disposed of, or leased to any member of the Group.

Save for the investment management agreement dated 29 February 2016 and entered into between the Company and Tiger Securities, of which Mr. Wu Ming Gai, one of the executive Directors, is also the responsible officer and director of Tiger Securities, as at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any subsisting contract or arrangement which is significant in relation to the business of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has a service contract with any member of the Group which was not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion and advice, which is contained in this Prospectus:

Name	Qualification
Elite Partners CPA Limited ("Elite Partners")	Certified Public Accountants

As at the Latest Practicable Date, Elite Partners (i) had no shareholding in any member of the Group and did not have any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group; (ii) had no direct or indirect interest in any assets which had been, since 31 December 2015 (the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, disposed of by, or leased to any member of the Group; and (iii) has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion of its letter and the reference to its name included herein in the form and context in which it appears.

8. LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, (i) the Group was not engaged in any litigation or claims of material importance; and (ii) no litigation or claims of material importance is pending or threatened against the Group.

9. MATERIAL CONTRACTS

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

- (a) the placing agreement dated 17 July 2015 entered into between the Company as the issuer and FP Sino-Rich Securities & Futures Limited as the placing agent pursuant to which FP Sino-Rich Securities & Futures Limited has conditionally agreed to procure, on the best effort basis, not less than six places to subscribe for the Convertible Bonds of up to an aggregate principal amount of HK\$97,646,525 due on 19 August 2017, being the second anniversary of the date of issue of the Convertible Bonds, with the rights to convert at the Conversion Price of HK\$12.50 (subject to adjustments) per Conversion Share;

- (b) the investment management agreement entered into between the Company and Tiger Securities dated 29 February 2016 in relation to the provision of investment management services to the Company for which the Tiger Securities shall be entitled to a management fee of 0.5% per annum on the Net Asset Value as per the management account of the Company of the preceding month, with an annual cap of HK\$1,800,000 (or such other higher limits to be mutually agreed in good faith between the Company and Tiger Securities) for a period of two years commencing from 1 March 2016 and expiring on 28 February 2018; and
- (c) the Underwriting Agreement.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, underwriting commission, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$2.7 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Board of Directors

Correspondence Address

Executive Directors

Mr. Chau Wai Hing

Room 1, 19/F, Block 16
Heng Fa Chuen
Chai Wan
Hong Kong

Mr. Wu Ming Gai

Flat A, 24/F, Po Tak Mansion
85 Smithfield
Kennedy Town
Hong Kong

Non-executive Directors

Mr. William Keith Jacobsen

Flat B, LG/F, Block 5
8 Mount Austin Road
Hong Kong

Mr. Mak Hing Keung Thomas

4/F, Cherry Court
12 Tai Hang Road
Hong Kong

Independent Non-executive Directors

Mr. Sio Chan In Devin

Flat B, 5/F, Victoria Court
Ville de Cascade
Shatin, New Territories
Hong Kong

Mr. Law Siu Hung Paul

Flat E, 16/F, Block 18
Wonderland Villas
Kwai Chung, New Territories
Hong Kong

Mr. Wong Ching Wan

Flat G, 29/F, Tower 2
The Waterside
15 On Chun Street, Ma On Shan
New Territories
Hong Kong

Company Secretary

Mr. Au Yeung Ming Yin Gordon, CPA
Room 4, 1/F
Oi Wai House, Tsz Oi Court
Tsz Wan Shan, Kowloon
Hong Kong

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 1615, 16th Floor
Seapower Tower, Concordia Plaza
1 Science Museum Road
Tsimshatsui, Kowloon
Hong Kong

**Branch Share Registrar and
Transfer Office in Hong Kong**

Computershare Hong Kong
Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre, 183 Queen's Road East
Wan Chai, Hong Kong

**Principal Share Registrar and
Transfer Agent**

Codan Trust (Cayman) Limited
Cricket Square, Hutchins Drive
P.O.Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Bankers

OCBC Wing Hang Bank Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking
Corporation Limited

Authorised Representatives

Mr. Chau Wai Hing
Mr. Mak Hing Keung Thomas

Stock Code

428

Investment Manager

Tiger Securities Asset Management Company
Limited
Room B3, 29/F, TML Tower
3 Hoi Shing Road, Tsuen Wan, N.T.
Hong Kong

Home page

www.huge-china.com.hk

Underwriter

Gransing Securities Co., Limited
Room 805-806, Far East Consortium Building
121 Des Voeux Road Central
Hong Kong

Financial adviser to the Company

Ample Capital Limited
Unit A, 14/F, Two Chinachem Plaza
135 Des Voeux Road Central
Central
Hong Kong

Legal advisers to the Company***Hong Kong Law***

LF Legal
Suite 1502, 15/F, 135 Bonham Strand
Sheung Wan
Hong Kong

Australian Law

Thomson Geer
Level 25, 1 O'Connell Street
Sydney NSW 2000
Australia

British Virgin Islands Law

Conyers Dill & Pearman
29th Floor, One Exchange Square
8 Connaught Place, Central
Hong Kong

Cayman Islands Law

Conyers Dill & Pearman
Cricket Square, Hutchins Drive
P.O.Box 2681
Grand Cayman KY1-1111
Cayman Islands

Canadian Law

Boughton Law Corporation
700 - 595 Burrard Street
Vancouver, BC V7X 1S8
Canada

Macau Law

Rato, Ling, Lei & Cortés - Advogados
Avenida da Amizade n.º 555
Macau Landmark
Office Tower 23º
Macau

Malaysian Law

Rahmat Lim & Partners
Suite 33.01, Level 33
The Gardens North Tower
Mid Valley City
Lingkaran Syed Putra
59200 Kuala Lumpur
Malaysia

U.S. Law

Reed Smith LLP
Reed Smith Centre
225 Fifth Avenue
Pittsburgh, PA 15222
United States

Auditors and Reporting Accountants

Elite Partners CPA Limited
10/F, 8 Observatory Road
Tsim Sha Tsui, Kowloon
Hong Kong

12. PROFILE OF DIRECTORS AND COMPANY SECRETARY**Executive Directors**

Mr. Chau Wai Hing (“**Mr. Chau**”), aged 50, was appointed as a non-executive Director and Chairman of the Board on 1 July 2015 and was re-designated to an executive Director on 1 September 2015. He is also the chairman of the nomination committee and the chairman of the investment committee. Mr. Chau is a fellow member of the Institute of Public Accountants in Australia, a chartered member of the Chartered Institute for Securities & Investment and a member of the Hong Kong Securities and Investment Institute. He obtained his Bachelor Degree in Quantitative Analysis for Business, Postgraduate Certificate in Professional Accounting and Master Degree in Finance from the City University of Hong Kong. He also holds a Master Degree in Professional Accounting from the Southern Cross University in Australia. Mr. Chau was the

chairman and an executive director of UBA Investments Limited (stock code: 768) from 2 December 2008 to 30 April 2015. Prior to joining UBA Investments Limited, he possesses over 18 years of experience in banking, finance and wealth management and held senior positions at several international financial institutions including China Construction Bank (Asia) Corporation Limited (formerly known as Bank of America (Asia) Limited) and Merrill Lynch (Asia Pacific) Limited.

Mr. Wu Ming Gai (“Mr. Wu”), aged 40, was appointed as a non-executive Director on 1 July 2015 and was re-designated to an executive Director on 1 March 2016. Mr. Wu is a responsible officer under the Securities and Futures Commission possessing the Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) licenses. He has obtained the Honor Diploma of Accounting from the Hong Kong Shue Yan University in July 1999. He has over 11 years of management experience in fund accounting and asset management. He was the chief operating officer of Tiger Securities from 2007 to 2012 responsible for the overall operation of fund management. Since 2013, he has been the director of the same company responsible for the general management of regulated activities.

Non-executive Directors

Mr. William Keith Jacobsen (“Mr. Jacobsen”), aged 49, is a non-executive Director and member of investment committee of the Company since 17 November 2014. Mr. Jacobsen is the chief executive officer of a licensed corporation to advise on corporate finance matters. Mr. Jacobsen has more than 22 years of experience in corporate finance and business development. Mr. Jacobsen was an executive director of Auto Italia Holdings Limited (formerly known as Wo Kee Hong (Holdings) Limited) (stock code: 720) until October 2015 and is an non-executive director of Ping An Securities Group (Holdings) Limited (Formerly known as Madex International (Holdings) Limited) (stock code: 231), and also an independent non-executive director of abc Multiactive Limited (stock code: 8131), and Sustainable Forest Holdings Limited (stock code: 723), and Cinderella Media Group Limited (stock code: 550). He was also an independent non-executive director of King Stone Energy Group Limited (stock code: 663), Qingdao Holdings International Limited (Formerly known as Hycomm Wireless Limited) (stock code: 499), HongDa Financial Holding Limited (Formerly known as Perception Digital Holdings Limited) (stock code: 1822) and China Financial Leasing Group Limited (stock code: 2312) for the period from 26 September 2008 to 30 September 2011, from 20 June 2008 to 27 September 2014, and from 7 January 2013 to 29 August 2014, 1 February 2013 to 30 April 2015 respectively. Mr. Jacobsen was appointed as an independent non-executive director of Cinderella Media Group Limited (stock code: 550) effect from 8 September 2015. He obtained a Bachelor of Laws degree from the University of Hong Kong and a Master of Business Administration from the University of British Columbia.

Mr. Mak Hing Keung Thomas (“Mr. Mak”), aged 53, was appointed as an independent non-executive Director on 1 January 2015 and was re-designated to a non-executive Director of the Company on 1 July 2015. He is also a member of the audit committee and remuneration committee of the Company. Mr. Mak holds a Bachelor degree of Commerce from Queen’s University, Canada. Mr. Mak is a member of the Chartered Professional Accountants of Canada, a member of Hong Kong Business Accountants Association and a fellow member of the Hong Kong Institute of Certified Public Accountants. Mr. Mak is currently the chief operations officer of HF Financial Group (China) Limited. He is also the executive director of Millennium Pacific Group Holdings

Limited (stock code 8147). Mr. Mak is an independent non-executive director, the chairman of audit committee and a member of remuneration committee of Tao Heung Holdings Limited (stock code: 573). Mr Mak is also the independent non-executive director, the chairman of audit committee and a member of remuneration committee of China Greenfresh Group Co. Ltd (stock code: 6183). He was also the chief financial officer and company secretary of China Innovative Finance Group Limited (Formerly known as Heritage International Holdings Limited) (stock code: 412) from 6 October 2014 to 11 May 2015. Prior to joining Heritage International Holdings Limited, Mr. Mak was the chief financial officer in various listed and private companies. Mr. Mak has also worked for an international accounting firm in Hong Kong, Singapore and Canada for over seven years.

Independent Non-executive Directors

Mr. Law Siu Hung Paul (“Mr. Law”), aged 57, has been an independent non-executive Director since 4 May 2015. He is also a member of the audit committee and the nomination committee of the Company. He obtained a Bachelor degree of Business Administration (BBA) from the American State University in 1995. He was awarded the Medal of Honour by the Government of the Hong Kong Special Administrative Region. He founded Olympic Motor Group (which operates car dealing business in Hong Kong) in 1980 and has been the chairman of Olympic Motor Group since 1991. Mr. Law has been a member of the Professional Insurance Brokers Association since 1995, a fellow member of the International Institute of Management, Hong Kong since 1996, member of The Institute of The Motor Industry, Britain since 1997, a member of the Society of Automotive Engineers, U.S. since 1999, a member of the Who’s Who Historical Society since 2001, an executive member of the Hong Kong Institute of Marketing since 2003, a honorary senior fellow of The Professional Validation Centre of Hong Kong Business Sector since 2005, a fellow member of the Institute for Entrepreneurship of the Hong Kong Polytechnic University since 2006, a professional member of the International Chinese Transportation Professionals Association (Hong Kong Chapter) and a professional member of The Association of Hong Kong Professionals since 2012. He was also awarded as Distinguished Chinese by the Chinese Who’s Who Society Evaluation Committee in 2012.

Mr. Law is also active in community services. He has been appointed as the chairman of International Professional Insurance Consulting Association since 2002, the chairman of Hong Kong Motor Vehicles Import and Export Association since 2003, a member of Liaison & Vehicle Inspection Group of Hong Kong Transport Department since 2005, the chairman of Chinese Association of Clan of Law since 2005, a director of The Hong Kong Chinese Importers’ & Exporters’ Association since 2005, co-chairman of Hong Kong SME Forum since 2006, vice chairman of Hong Kong Auto Parts Industry Association since 2006, a honorable treasurer of the Society of Automotive Engineers since 2006, director of Hong Kong Chiu Chow Chamber of Commerce since 2006, a director of The Lok Sin Tong Benevolent Society Kowloon since 2006, deputy chairman of Hong Kong Brands Protection Alliance since 2006, a member of Traffic and Transportation Committee of Yau Tsim Mong District of the Home Affairs Department since 2007, vice chairman of The Professional Validation Centre of Hong Kong Business Sector since 2007, director of Hong Kong Commerce & Industry Associations since 2008, the vice president of Kowloon West Chaoren Association Limited since 2008, the chairman of Mongkok Service Association since 2009, the president of Great Chinese Martial Artists Association Limited since

2012, the vice chairman of Eternity Love Foundation since 2013 and the president of The Taxi Operators Association Limited since 2013. He was appointed as the chairman of Yau Tsim Mong North Area Committee from 2012 to 2014 and the 1st vice district governor of Lions Clubs International District 303, Hong Kong & Macao, China from 2014 to 2015.

Mr. Sio Chan In Devin (“Mr. Sio”), aged 31, joined the Company in January 2015. He is an independent non-executive Director, a member of audit committee and remuneration committee of the Company. Mr. Sio is a barrister in Hong Kong. Mr. Sio was called to the Bar of Hong Kong in 2011 and achieved Fellowship of the Chartered Institute of Arbitrators in 2013. He is also a consultant of Shanghai Everbright Law Firm and Shanghai Lingyun Yongran Law Firm. Mr. Sio is a listed arbitrator and mediator of the Hong Kong Bar Association and a panelist mediator of Hong Kong Mediation Accreditation Association Limited.

Mr. Sio obtained a Bachelor of Business Administration in International Business (Japan) from the City University of Hong Kong in 2007. He further pursued a career in Law, and obtained a Juris Doctor degree and Postgraduate Certificate in Laws from the Chinese University of Hong Kong in 2009 and 2010 respectively. Mr. Sio also obtained a Diploma in International Commercial Arbitration from St. Anne’s College, Oxford University, a Bachelor of Laws in PRC Laws from the China University of Political Science and Law, and a Master of Laws in Maritime and Transportation Law from the City University of Hong Kong in 2011, 2013 and 2014 respectively.

Mr. Sio is currently a committee member of the Special Committee in Alternative Dispute Resolution, and Special Committee in Greater China Affairs of the Hong Kong Bar Association. He is also the founding council member of the Small and Medium Law Firms Association of Hong Kong, and the founding president of the Chinese University of Hong Kong Law Alumni Association. Mr. Sio is also a committee member of the Shatin District Youth Programme Committee of the Shatin District Council, and is an honourable legal advisor to the Hong Kong Fishermen’s Association.

Mr. Wong Ching Wan (“Mr. Wong”), aged 49, joined the Company in May 2015. He is an independent non-executive Director, the chairman of audit committee, a member of nomination committee and the chairman of remuneration committee of the Company. Mr. Wong is a Certified Public Accountant of Australia, Certified Public Accountant of Hong Kong, Chartered Professional Accountants of Canada (Formerly known as Certified General Accountant of Canada) and fellow member of The Taxation Institute of Hong Kong. He has obtained a Bachelor of Business Administration from the Chinese University of Hong Kong in 1989 and a Bachelor of Business from The University of Southern Queensland in 1992. Also, he has studied in the Professional Master of Business Administration course offered by the Troy State University, U.S..

Mr. Wong is the company secretary and authorised representative of China Oil Gangran Energy Group Holdings Limited (stock code: 8132). He is also a director of Network CN, Inc. (stock code: NWCN) listing in U.S.. Mr. Wong was appointed as an independent non-executive director of On Real International Holdings Limited (stock code: 8245) on 31 March 2016. Mr. Wong was the independent non-executive director of Grand Field Group Holdings Limited (stock code: 115) from December 2008 to January 2009.

Mr. Wong has more than 25 years of experience in audit, internal control, financial control and capital market. He has held various positions in different companies in China, U.S. and Hong Kong including senior position in multinational companies. He was the chief financial officer and a director of a jewellery company that he assisted to seek initial public offering in the U.S. He was also responsible for U.S. regulatory filings and internal control.

Company Secretary

Mr. Au Yeung Ming Yin Gordon (“**Mr. Au Yeung**”), aged 40, has been the company secretary of the Company since 26 May 2015. He is also the chief financial officer of the Company. He has over 19 years of experience in the areas of accounting, taxation, finance and auditing. He is a member of the Hong Kong Institute of Certified Public Accountants. He obtained a degree in Bachelor of Business from RMIT University and post-graduate diploma in professional accounting from the Hong Kong Baptist University. Mr. Au Yeung held a management position in an accounting team in ASR Logistics Holdings Limited (stock code: 1803) from May 2000 to January 2015.

13. INVESTMENT OBJECTIVES, POLICIES AND RESTRICTIONS

Investment Objective and Policies

The investment objective of the Company is to achieve an enhanced earnings stream and capital appreciation from its investments.

The Company has adopted the following investment policies:

- (i) the Company may, at its sole discretion, invest in any securities, listed or unlisted, including warrants, money market instruments, bank deposits, currency investments, commodities, options, convertible securities, futures contracts and precious metals or any other forms of investments in securities which would enable the Company to achieve good income or capital appreciation;
- (ii) the Company may, for hedging purposes only, buy, write or sell warrants, covered warrants, options or traded options on its underlying investments. The Company may also buy or sell futures contracts on stock indices or shares (if any) as a means to hedge against adverse price movements of its investments;
- (iii) in order to hedge against interest rate risks, the Company may enter into forward interest rate agreements, interest rates and US treasury bond futures contracts and interest rate swaps. The Company may also, for hedging purpose only, purchase and write (sell) put or call options or options on futures on interest rates. The Company will only engage in transactions in options and futures which are traded on a recognized securities or futures exchange; and

- (iv) cash pending investment, reinvestment or distribution will be placed in bank deposits in any currency, obligations of the United States or Hong Kong governments, their respective agencies or instrumentalities, or securities and other instruments denominated in any currency issued by various governments or international development agencies.

The investment objective as set out above cannot be altered without Shareholders' approval pursuant to the memorandum and articles of association of the Company. All the above investment policies can be altered without Shareholders' approval.

Investment Restrictions

The Company may not:

- (i) either on its own or in conjunction with any connected person, take legal, or effective, management control of any company or other entity in which it invests or controls more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity; and
- (ii) invest in any company or other entity if as a result, more than 20% of the Company's Net Asset Value as at the date of such investment would be invested in any one such company or other entity.

If a percentage restriction on investment or use of assets set forth above is adhered to at the time a transaction is effected, later changes will not be considered a violation of the restriction. None of the above limitations will prohibit the Company from investing in wholly-owned subsidiaries of the Company for the purpose of making investments but if the Company establishes any such subsidiaries the limitations will apply on a consolidated basis.

The investment restrictions numbered (i) and (ii) above are required by Rule 21.04(3)(a) and (b) of the Listing Rules, which must not be changed at all while the Company remains listed on the Stock Exchange.

As at the Latest Practicable Date, the Company has no present intention to invest in options, warrants, commodities, future contracts and precious metals.

14. INVESTMENT PORTFOLIO

Set out below are the details of all the investments of the Group (which are less than ten investments) as at 31 December 2015, which include all listed investments and all other investments with a value of more than 5% of the Group's gross assets as at 31 December 2015. Save for the investments disclosed herein, there are no other listed investments or other investments with a value of more than 5% of the Company's gross assets as at 31 December 2015.

Notes	Name of investee company	Nature of securities	Number of Shares involved	Effective holding interest (units held by the Company/ total issued units)	Cost up to 31 December 2015 HK\$'000	Market value as at 31 December 2015 HK\$'000	Revaluation as at 31 December 2015 HK\$'000	Dividend received/ Interest income recognised during the financial year 2015 HK\$'000	Approximate Percentage to net assets of the Company as at 31 December 2015
1.	China Oil Gangran Energy Group Holdings Limited	Listed Securities	178,360,000	1.8%	19,388	29,073	-	-	5.97%
2.	On Real International Holdings Limited	Listed Securities	26,350,000	5.49%	15,111	251,379	-	-	51.60%
3.	Millennium Pacific Group Holdings Limited	Listed Securities	45,240,000	0.87%	20,595	56,097	-	-	11.51%
4.	China 33 Media Group Limited	Listed Securities	5,000,000	0.08%	521	520	-	-	0.11%
5.	Profit Gain Finance Limited	Convertible bonds	-	-	20,000	-	27,093	1,298	5.56%
6.	Cross Consultants Limited	Convertible bonds	-	-	30,000	-	30,349	1,849	6.23%
7.	Openroad Professional Assurance Limited	Convertible bonds	-	-	30,000	-	33,852	1,770	6.95%
8.	Openroad Corporate Services Limited	Convertible bonds	-	-	15,000	-	16,347	1,043	3.36%

As at 31 December 2015, the Group only held eight investments which have been listed above.

Notes:

1. China Oil Gangran Energy Group Holdings Limited (stock code: 8132) (“**China Oil**”) and its subsidiaries are principally engaged in the development of liquefied natural gas, compressed natural gas; provision of programming services, web services, mobile marketing solutions and development of mobile phone games; and sales and manufacture of power and data cords. As at 31 December 2015, the Group held 178 million shares in China Oil representing approximately 1.8% interest in the issued share capital of China Oil. Dividends of HK\$NIL were received during 2015. Based on the third quarterly report 2015 of China Oil, the unaudited consolidated loss attributable to equity holders of China Oil was HK\$68 million with basic losses per share of HK\$0.71 cents. As at 31 December 2015, the unaudited consolidated net asset of China Oil were approximately HK\$237 million. As at 31 December 2015, the market value of the investment in China Oil was approximately HK\$29 million.
2. On Real International Holdings Limited (stock code: 8245) (“**On Real Int’l**”) and its subsidiaries are principally engaged in the trading and manufacturing of two-way radio, baby monitors and other communication devices. As at 31 December 2015, the Group held 26 million shares in On Real Int’l representing approximately 5.49% interest in the issued share capital of On Real Int’l. Dividends of HK\$NIL were received during 2015. Based on the third quarterly report 2015 of On Real Int’l, the unaudited consolidated loss attributable to equity holders of On Real Int’l was approximately HK\$4.6 million with basic losses per share of HK\$1.14 cents. As at 31 December 2015, the unaudited consolidated net asset of On Real Int’l were approximately HK\$18 million. As at 31 December 2015, the market value of the investment in On Real Int’l was approximately HK\$251 million.
3. Millennium Pacific Group Holdings Limited (stock code: 8147) (“**Millennium**”) and its subsidiaries are primarily engaged in the research, development, manufacture, and sale of consumer electronic products. As at 31 December 2015, the Group held 45 million shares in Millennium representing approximately 0.87% interest in the issued share capital of On Millennium. Dividends of HK\$NIL were received during 2015. Based on the annual report 2015 of Millennium, the audited consolidated loss attributable to equity holders of Millennium was approximately HK\$17.5 million with basic losses per share of HK\$0.34 cents. As at 31 December 2015, the audited consolidated net asset of Millennium were approximately HK\$48 million. As at 31 December 2015, the market value of the investment in Millennium was approximately HK\$56 million.
4. China 33 Media Group Limited (stock code: 8087) (“**China 33 Media**”) and its subsidiaries are principally engaged in the operation and provision of advertising services of printed media for railway networks, and outdoor advertising spaces on air traffic control towers at airports, trains and railway stations in the PRC. As at 31 December 2015, the Group held 5 million shares in China 33 Media representing approximately 0.08 % interest in the issued share capital of China 33 Media. Dividends of HK\$NIL were received during 2015. Based on the annual report of 2015 of China 33 Media, the audited consolidated loss attributable to equity holders of China 33 Media was approximately RMB45 million with basic losses per share of RMB2.18 cents. As at 31 December 2015, the audited consolidated net asset of China 33 Media were approximately RMB543 million. As at 31 December 2015, the market value of the investment in China 33 Media was approximately HK\$0.5 million.

5. As at 31 December 2015, the Group held convertible bonds issued by Profit Gain Finance Limited with principal amount of HK\$20 million in a coupon rate of 9% per annum. The maturity date of the bonds is 13 April 2017. The conversion price is HK\$5,000 per share. Interest income of approximately HK\$1.3 million were recognised during 2015.
6. As at 31 December 2015, the Group held convertible bonds issued by Cross Consultants Limited with principal amount of HK\$30 million in a coupon rate of 9% per annum. The maturity date of the bonds is 24 April 2017. The conversion price is HK\$10,000,000 per share. Interest income of approximately HK\$1.8 million were recognised during 2015.
7. As at 31 December 2015, the Group held convertible bonds issued by Openroad Professional Assurance Limited with principal amount of HK\$30 million in a coupon rate of 9% per annum. The maturity date of the bonds is 5 May 2017. The conversion price is HK\$10,000,000 per share. Interest income of approximately HK\$1.8 million were recognised during 2015.
8. As at 31 December 2015, the Group held convertible bonds issued by Openroad Corporate Services Limited with principal amount of HK\$15 million in a coupon rate of 9% per annum. The maturity date of the bonds is 25 March 2017. The conversion price is HK\$5,000,000 per share. Interest income of HK\$1 million were recognised during the 2015.

The Group reviews the fair value of its unlisted equity investment to determine whether there is any indication that those investment has required to make provision. As at 31 December 2015 the Group is not aware that any provision should be made for those investment.

15. DISTRIBUTION POLICY

The Company's investment objective is to achieve capital appreciation and, accordingly, the Company's investment portfolio is not expected to generate significant income. It is therefore not expected that the Company will have significant (if any) dividend income after expenses available for distribution by way of dividend and therefore the Company does not expect to declare dividend. Any declaration of distributions will be made at the discretion of the Directors and may be either from profit, reserves of the Company (including Share premium account) or any amount lawfully available for distribution.

16. FOREIGN EXCHANGE POLICY

The Company's investments may be denominated in currencies other than Hong Kong dollars. As such, it may receive income, or make payments in foreign currency and is therefore subject to exchange rate fluctuations. The Group at present does not have any contracts to hedge against its foreign exchange risks. Should the Group consider its exposure and fluctuation in foreign currency justify hedging, the Group may use forward or hedging contracts to reduce the risks.

17. TAXATION

The principal taxes on income and capital gains of the Company and its subsidiaries are subject to the fiscal laws and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of the Shares or of exercising any rights attached to them under the laws of the jurisdiction in which they are liable to taxation. Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Excluded Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

18. BORROWING POWERS

The Board may exercise all the powers of the Company to raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party, save and except that the aggregate amount of all moneys borrowed by the Company (including the amount of any loan capital and debentures) which remains outstanding from time to time may not exceed an amount representing 50% of the Net Asset Value at the time when a borrowing is made. The above borrowing restriction may be altered by an ordinary resolution of the Company.

19. INFORMATION OF THE INVESTMENT MANAGER

- (a) Set out below is the information of the Investment Manager of the Company:

Name	Address
Tiger Securities Asset Management Company Limited	Room B3, 29/F, TML Tower, 3 Hoi Shing Road, Tsuen Wan, N.T., Hong Kong

Tiger Securities is a company incorporated in Hong Kong with limited liability and a licensed corporation registered under the SFO to engage in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

- (b) The full names, addresses and descriptions of the directors of Tiger Securities is as follows:

Name	Address
Mr. Wu Ming Gai	Flat A, 24/F, Po Tak Mansion 85 Smithfield Kennedy Town Hong Kong
Ms. Chan Angie	Room G, 17/F, Block 7, Charming Garden 8 Hoi Ting Road, Kowloon Hong Kong

The biographies of the directors of Tiger Securities are as follows:

Mr. Wu Ming Gai (“Mr. Wu”), aged 40, is one of the directors and responsible officers of Tiger Securities. Mr. Wu is currently licensed under the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) regulated activities accredited to Tiger Securities. He has obtained the Honor Diploma of Accounting from the Hong Kong Shue Yan University in July 1999. He has over 11 years of management experience in fund accounting and asset management. He was the chief operating officer of Tiger Securities from 2007 to 2012 responsible for the overall operation of fund management. Since 2013, he has been the director of the same company responsible for the general management of regulated activities. Mr. Wu was appointed as the non-executive Director of the Company in July 2015 and was re-designated to the executive Director of the Company on 1 March 2016.

Ms. Chan Angie (“Ms. Chan”), aged 42, is one of the directors and responsible officers of Tiger Securities. Ms. Chan is currently licensed to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (assets management) regulated activities under the SFO accredited to Tiger Securities. She has obtained the Diploma in Executive Secretary from Sara Beattie College in 1993 and was registered as the dealer’s representative with the SFC in 1996. Ms. Chan has over 19 years of comprehensive experience in the financial industry. She was the institution officer of Manson Hong Kong Limited from 1996 to 2001. From 2001 to 2014, she was the institution officer of Hani Securities (HK) Limited and was the responsible officer of the same company from 2014 to 2015. Since 2015, she has been the responsible officer of Tiger Securities. She was appointed as the director of Tiger Securities in January 2016.

- (c) None of the Directors, the directors of the Investment Manager, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the Company, or any re-allowance of other types on purchases charged to the Company.
- (d) On 29 February 2016, the Company has entered into the New Investment Management Agreement with Tiger Securities, pursuant to which Tiger Securities has agreed to provide investment management services to the Company for a period of two years from 1 March 2016 to 28 February 2018.

The maximum aggregate fee payable by the Company to Tiger Securities under the New Investment Management Agreement will not exceed HK\$1,800,000 per annum.

Tiger Securities will provide investment management services to the Company under the New Investment Management Agreement including: (i) identify and analyse investment opportunities relating to the Assets for the Company; (ii) be responsible for arranging all aspects of the implementation of a decision to invest the Assets in an authorised investment; (iii) monitor and keep under review, or procure suitable persons to monitor and keep under review all the investments relating to the Assets made on behalf of the Company; (iv) calculate the Net Asset Value and with any valuation methods adopted by the Board as at each valuation date, provide such calculation by request to the Board and the shareholders of the Company and arrange for publication of the same in accordance with the requirements of the Listing Rules on or before the

fifteenth day after each valuation date; (v) place the liquid Assets of the Company not invested in the authorized investment in time deposits, money market instruments or other instruments Tiger Securities believes would yield a reasonable return at a relatively lower level of risk while offering high liquidity; (vi) if required by the Board, negotiate for borrowing arrangements and, if so authorised by the Board, implement such arrangements; and (vii) keep the Board fully informed as to the discharge of its powers and responsibilities thereunder.

20. RISK FACTORS OF INVESTING IN THE COMPANY

Prospective investors should be aware that an investment in the Company involves certain degree of risk. These risks include the following:

- (a) the Company's success is dependent on a number of factors which include the general economic and political conditions in the global capital market and properties market;
- (b) it is expected that a significant part of the Company's investment portfolio can comprise unlisted investments which may not be readily realisable;
- (c) the Group's portfolio comprises significant investments in listed equities in the Hong Kong market and global market. A significant down turn of the Hong Kong stock market or any stock market, or any significant rise in interest rate can considerably impair the value of the Group's equities investments. Strength of other asset class such as commodity and precious metals may also make equities investment less attractive to investors, and hence value in equities;
- (d) the Group has significant investment in bonds issued by Hong Kong issuers denominated in Hong Kong dollars. Any significant rise in interest rates in Hong Kong and/or the global capital market may considerably impair the value of the Group's bond investments. The Group intends to hold the bonds until the issuers are obligated to repay or redeem them, therefore, any tightening of credit in the Hong Kong or global capital markets may cause default of obligations by the issuers; and
- (e) the Group may purchase real estate properties or interests in real estate properties investment in Hong Kong or other markets in the future. Interest rates at present are at a rather low level, but future rise in interest rates as well as an anticipated rise in unemployment may cause properties value to decline.

21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at Unit 1615, 16th Floor, Seapower Tower, Concordia Plaza, 1 Science Museum Road, Tsimshatsui, Kowloon, Hong Kong from the date of this Prospectus up to and including the Latest Time for Acceptance and will be displayed on the website of the Company (www.huge-china.com.hk).

- (a) the memorandum and articles of association of the Company;
- (b) the report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II of this Prospectus;
- (c) the annual reports of the Company for the three financial years ended 31 December 2013, 2014 and 2015;
- (d) the letter from the Board, the text of which is set out on pages 9 to 26 of this Prospectus;
- (e) the material contracts as referred to in the section headed “material contracts” in this appendix;
- (f) the written consent letter referred to in the paragraph headed “EXPERT AND CONSENT” in this appendix;
- (g) the Circular; and
- (h) this Prospectus.

22. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “EXPERT AND CONSENT” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 342C of the Companies (WUMP) Ordinance.

23. LEGAL EFFECT

The Prospectus Documents and all acceptance of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made pursuant hereof, of rendering all persons concerned bound by all the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

24. MISCELLANEOUS

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The company secretary of the Company is Mr. Au Yeung Ming Yin Gordon.
- (c) The branch share registrar and transfer office of the Company in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) As at the Latest Practicable Date, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (e) The English texts of this Prospectus shall prevail over their Chinese texts in case of inconsistency.